

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. LEASE DESIGNATION AND SERIAL NUMBER: <b>Fee</b>	
1A. TYPE OF WORK:    DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL:    OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____    SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			7. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: <b>Fat Chance Oil and Gas, LLC</b>			8. WELL NAME and NUMBER: <b>Crane 13-18</b>	
3. ADDRESS OF OPERATOR: <b>PO Box 7370</b> CITY <b>Sheridan</b> STATE <b>WY</b> ZIP <b>82801</b>		PHONE NUMBER: <b>(307) 673-1500</b>		
4. LOCATION OF WELL (FOOTAGES)  AT SURFACE: <b>827' FSL 568' FWL</b> AT PROPOSED PRODUCING ZONE: <b>same</b>			9. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>	
<b>CONFIDENTIAL</b>			10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSW 18 T6N R8E</b>	
			11. COUNTY: <b>Rich</b> 12. STATE: <b>UTAH</b>	
13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>5 miles west of Evanston</b>			14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>3800'</b>	
15. NUMBER OF ACRES IN LEASE: <b>52,395</b>			16. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>160</b>	
17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>9100'</b>			18. PROPOSED DEPTH: <b>4000'</b> <del>4,750'</del>	
19. BOND DESCRIPTION: <b>Utah DOGM Surety #885588C</b>			20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>6877' GR</b>	
21. APPROXIMATE DATE WORK WILL START: <b>4/15/2001</b>			22. ESTIMATED DURATION: <b>5 days</b>	

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4"	9 5/8"    H-40    32.3#	500' - 200'	G-Poz    100 sx    1.77    12.5# lead
			50sx    1.17    15.8" tall
	J-55    23#	4000'	
8 3/4"	7"    K-55    28#	1,750'	G-35/65 Poz    150 sx    2.34    11# lead
			50 sx    1.27    14.2# tall

**ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER     | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN  |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input checked="" type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Casey Osborn    TITLE Operations Manager  
SIGNATURE Casey Osborn    DATE 1-29-01

(This space for State use only)

API NUMBER ASSIGNED: 43-033-30055

**Approved by the  
Utah Division of  
Oil, Gas and Mining**  
Date: 06-13-01  
By: [Signature]

**RECEIVED**

FEB 23 2001

DIVISION OF  
OIL, GAS AND MINING

R  
7  
E

R  
8  
E

T6N, R8E, S.L.B.&M.

1997 U.E.&S.  
Alum. Cap 0.3'  
High, Pile of Stones  
324872

S89°43'W - 89.78 (G.L.O.)

N00°00'24"W 2642.41' - (Meas.)

LOT 1

LOT 2

1997 U.E.&S.  
Alum. Cap 1.0'  
High 324872

18

LOT 3

NORTH - (Basis of Bearings)  
2642.25' - (Measured)

LOT 4

CRANE #13-18

Elev. Ungraded Ground = 6877'

568'

827'

(Comp.)

Set Stone,  
Steel Post

S89°34'E - 80.90 (G.L.O.)

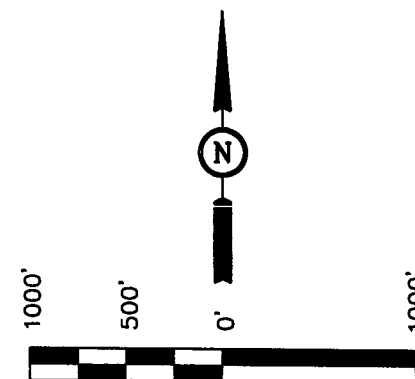
NORTH - (G.L.O.)

QUANECO, LLC

Well location, CRANE #13-18, located as shown in the SW 1/4 SW 1/4 of Section 18, T6N, R8E, S.L.B.&M., Rich County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED IN THE SW 1/4 OF SECTION 31, T7N, R8E, S.L.B.&M. TAKEN FROM THE MURPHY RIDGE QUADRANGLE, UTAH-WYOMING, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7184 FEET.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING  
85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

LATITUDE = 41°14'56"

LONGITUDE = 111°05'22"

SCALE 1" = 1000'	DATE SURVEYED: 1-11-01	DATE DRAWN: 1-19-01
PARTY B.B. J.W D.COX	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE QUANECO, LLC	

# FAT CHANCE OIL AND GAS, LLC

January 29, 2001

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

**RE: Confidentiality of information: Crane 13-18**

Attention:

Fat Chance Oil and Gas, LLC formally requests that submitted information on the Crane 13-18 be held confidential.

Your cooperation is appreciated.

Sincerely,

Casey Osborn  
Operations Manager/Agent

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 5

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: Property Reserve, Skull Valley & Kavanagh

LEASE NUMBER: FEE

and hereby designates

NAME: Fat Chance Oil and Gas, LLC, an Oklahoma Limited Liability Company

ADDRESS: P. O. Box 7370, 850 Val Vista  
Sheridan WY 82801  
city state zip

as his (check one) agent ☐ / operator ☒, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)

See Attached

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: 01/01/2001

BY: (Name) Billy Jim Palone  
(Signature) [Signature]  
(Title) Owner  
(Phone) (307) 682-1621

OF: (Company) Palone Petroleum  
(Address) P. O. Box 6  
Gillette  
WY 82717  
city state zip

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FEB 23 2001

**Exhibit "A"**

Attached to Oil and Gas Lease between Property Reserve, Inc. and Palone Petroleum

<b>Tract No. 1</b>		
<b>Township 9 North, Range 7 East, S.L.M.</b>		
Section 26:	W2	311.00
Section 27:	All	640.00
Section 34:	E2, E2NW	400.00
Section 35:	All	640.00
Section 36:	Beginning at the Southwest corner of Section 36; thence North 2 3/4 degrees East 2698 feet; thence South 89 degrees East to the West boundry line of State Highway; thence South 32 degrees East along said West line 3156 feet more or less, to a point East of beginning; thence West 2210 feet, more or less, to the point of beginning.	84.00
<b>Tract No. 2</b>		
<b>Township 8 North, Range 7 East, S.L.M</b>		
Section 1:	All that portion of Section 1 lying South and West of the Highway. Said highway is described as follows: A parcel of land 100 feet wide, 50 feet on each side of the following described centerline: Beginning at a point approximately 2244 feet East from the Northwest corner of said section; thence South 32 degrees 14 minutes East 1921.6 feet; thence 297.9 feet along the arc of a circlce to the left whose radius is 1432.7 feet long; thence South 44 degrees 09 minutes East 2370.5 feet to the East line of said section.	489.86
Section 2:	Lot 4	28.00
Section 3:	Lots 1(28.00), 2(28.00), 3(28.00), 4(28.00), S2N2, S2	592.00
Section 10:	NE, E2NW, NESW, NWSE	320.00
Section 11:	All	640.00
Section 13:	All	640.00
<b>Tract No. 3</b>		
<b>Township 8 North, Range 7 East, S.L.M</b>		
Section 15:	All	640.00
Section 21:	All	640.00
Section 23:	All	640.00
Section 25:	All	640.00
<b>Tract No. 4</b>		
<b>Township 8 North, Range 7 East, S.L.M</b>		
Section 27:	All	640.00
Section 33:	All	640.00
Section 35:	All	640.00
Section 36:	All	640.00
<b>Tract No. 5</b>		
<b>Township 8 North, Range 8 East, S.L.M.</b>		
Section 31:	Lots 1(39.86), 2(39.90), 3(39.94), 4(39.98), E2W2, E2	639.68
<b>Township 7 North, Range 7 East, S.L.M.</b>		
Section 1:	Lots 1(40.22), 2(40.68), 3(41.12), 4(41.58), S2N2, S2	643.60
Section 2:	Lots 1(41.81), 2(41.84), 3(41.86), 4(41.89), S2NW	247.40
Section 3:	Lots 1(41.77), 2(41.58), 3(41.33), 4(41.11), S2N2, S2	645.79
<b>Tract No. 6</b>		
<b>Township 7 North, Range 7 East, S.L.M.</b>		
Section 5:	Lots 1(40.59), 2(40.76), 3(40.94), 4(41.11), S2N2, S2	643.40
Section 9:	All	640.00
Section 11:	All	640.00
Section 12:	W2	320.00
Section 13:	All	640.00
<b>Tract No. 7</b>		
<b>Township 7 North, Range 7 East, S.L.M.</b>		
Section 15:	All	640.00
Section 16:	W2SE	80.00
Section 17:	All	640.00
Section 19:	Lots 1(41.10), 2(41.10), 3(41.10), 4(40.44), E2W2, E2	643.74
Section 21:	All	640.00

**Exhibit "A"**

Attached to Oil and Gas Lease between Property Reserve, Inc. and Palone Petroleum

<b>Tract No. 8</b>		
<b>Township 7 North, Range 7 East, S.L.M.</b>		
Section 23:	All	640.00
Section 25:	All	640.00
Section 26:	W2W2	160.00
Section 27:	All	640.00
Section 29:	All	640.00
<b>Tract No. 9</b>		
<b>Township 7 North, Range 7 East, S.L.M.</b>		
Section 31:	Lots 1(39.82), 2(39.88), 3(39.92), 4(39.98), E2W2, E2	639.60
Section 32:	All	640.00
Section 33:	All	640.00
Section 35:	All	640.00
<b>Tract No. 10</b>		
<b>Township 7 North, Range 8 East, S.L.M.</b>		
Section 7:	Lots 1(43.03), 2(42.45), 3(41.87), 4(41.29), E2W2, E2	648.64
Section 9:	Lots 1(40.34), 2(40.34), 3(40.34), 4(40.34)	161.36
Section 17:	All	640.00
Section 19:	Lots 1(39.23), 2(38.88), 3(38.53), 4(38.18), E2W2, E2	634.82
<b>Tract No. 11</b>		
<b>Township 7 North, Range 8 East, S.L.M.</b>		
Section 21:	Lots 1(40.34), 2(40.34), 3(40.34), 4(40.34)	161.36
Section 29:	All	640.00
Section 31:	Lots 1(38.95), 2(39.25), 3(39.55), 4(39.85), E2W2, E2	637.60
Section 33:	Lots 1(39.87), 2(39.93), 3(37.97), 4(37.06)	154.83
<b>Tract No. 12</b>		
<b>Township 6 North, Range 6 East, S.L.M.</b>		
Section 2:	Lots 1(39.46), 2(39.59), 3(39.71), 4(39.84), S2N2, S2	638.60
Section 12:	All	640.00
Section 14:	All	640.00
Section 22:	All	640.00
<b>Tract No. 13</b>		
<b>Township 6 North, Range 6 East, S.L.M.</b>		
Section 24:	All	640.00
Section 26:	All	640.00
Section 28:	N2SE	80.00
Section 32:	All	640.00
Section 34:	N2NE, SENE, W2, SE	600.00
<b>Tract No. 14</b>		
<b>Township 6 North, Range 7 East, S.L.M.</b>		
Section 2:	Lots 1(22.77), 2(22.32), 3(21.87), 4(21.42), S2N2, S2	568.38
Section 4:	Lots 1(21.78), 2(26.54), 3(31.40), 4(36.06), S2N2, S2	595.78
Section 6:	Lots 1(40.87), 2(40.62), 3(40.37), 4(43.35), 5(43.06), 6(42.90), 7(42.73), S2NE, SENW, E2SW, SE	653.90
Section 8:	All	640.00
<b>Tract No. 15</b>		
<b>Township 6 North, Range 7 East, S.L.M.</b>		
Section 10:	All	640.00
Section 12:	All	640.00
Section 13:	All	640.00
Section 14:	All	640.00
<b>Tract No. 16</b>		
<b>Township 6 North, Range 7 East, S.L.M.</b>		
Section 16:	All	640.00
Section 18:	Lots 1(40.11), 2(40.14), 3(40.16), 4(40.19), E2W2, E2	640.60
Section 20:	All	640.00
Section 22:	All	640.00
<b>Tract No. 17</b>		
<b>Township 6 North, Range 7 East, S.L.M.</b>		
Section 24:	All	640.00

**Exhibit "A"**

**Attached to Oil and Gas Lease between Property Reserve, Inc. and Palone Petroleum**

Section 25:	All of that portion of Section 25 lying North and West of the Union Pacific Railroad Company Right-of-way.	627.00
Section 26:	All	640.00
Section 28:	All	640.00

**Tract No. 18**

<b>Township 6 North, Range 6 East, S.L.M.</b>		
Section 36:	All	640.00

<b>Township 6 North, Range 7 East, S.L.M.</b>		
Section 30:	Lots 1(39.98), 2(40.10), 3(40.22), 4(40.34), E2W2, E2	640.64
Section 32:	All	640.00
Section 34:	All	640.00

**Tract No. 19**

<b>Township 6 North, Range 8 East, S.L.M.</b>		
Section 4:	Lots 1(30.73), 2(21.10), 3(21.10), 4(21.10), 5(24.67), 6(30.81), 7(36.94)	186.45
Section 6:	Lots 1(29.00), 2(29.00), 3(29.00), 4(29.00), 5(40.00), 6(40.00), 7(40.00), S2NE, SENW, E2SW, SE	596.00
Section 7:	Lots 1(40.17), 2(40.52), 3(40.87), 4(41.22), E2W2, E2	642.78
Section 8:	All	640.00
Section 9:	Lots 1(21.09), 2(21.06), 3(21.03), 4(21.01), W2W2, Less and Except 62.15 acres more or less, as conveyed within that certain Warranty Deed dated February 3, 1999, recorded February 17, 1999 in Book E8 at page 203, with Property Reserve, Inc., a Utah corporation, f/k/a Deseret Title Holding Corporation, as Grantor, and Evanston-Uinta County Airport Joint Powers Board, as Grantee.	182.04

**Tract No. 20**

<b>Township 6 North, Range 7 East, S.L.M.</b>		
Section 36:	All of that portion of Section 36 lying North and West of the Union Pacific Railroad Company Right-of-way.	375.00
<b>Township 6 North, Range 8 East, S.L.M.</b>		
Section 16:	All of that portion of Section 16 lying North of the Union Pacific Railroad Company right-of-way.	165.00
Section 17:	All of that portion of Section 17 lying North and West of the Union Pacific Railroad Company right-of-way.	479.00
Section 18:	Lots 1(41.45), 2(41.55), 3(41.65), 4(41.75), E2W2, E2	646.40
Section 19:	All of that portion of Section 19 lying North and West of the Union Pacific Railroad Company right-of-way.	508.00
Section 30:	Lot 1(41.05) and that part of Lot 2 lying North and West of the Union Pacific Railroad Company right-of-way.	65.00

**Tract No. 21**

<b>Township 5 North, Range 6 East, S.L.M.</b>		
Section 12:	All	640.00
<b>Township 5 North, Range 7 East, S.L.M.</b>		
Section 2:	All that part lying North and West of the West Bound Union Pacific Railroad Company right of way	486.32
Section 4:	Lots 1(41.24), 2(41.34), 3(41.42), 4(41.52), S2N2, S2	645.52
Section 6:	Lots 1(41.36), 2(40.98), 3(40.58), 4(40.40), 5(40.40), 6(40.32), 7(40.24), S2NE, SENW, E2SW, SE	644.28
Section 8:	All	640.00
Section 10:	N2NW	80.00
Section 18:	Lots 1(39.97), 2(39.93), 3(39.88), N2NE, SWNE, E2NW, NESW	359.78

## **LIST OF CONTACTS**

### **OPERATOR:**

Casey Osborn  
Operations Manager  
Box 7370  
Sheridan, Wyoming 82801  
Office: 307-673-1500  
Home: 307-673-0842

### **SURFACE LESSEE:**

Bill Hopkin  
Ranch Manager  
Deseret Land and Livestock  
125 Main Ranch Way  
Woodruff, Utah 84086  
Office: 435-793-4288  
Home: 435-793-4558



# **DRILLING PLAN**

Operator: Fat Chance Oil and Gas, LLC  
Crane 13-18  
T6N R8E, Rich County, Utah

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## **1. ESTIMATED TOPS OF GEOLOGIC MARKERS**

<u>Formation</u>	<u>Depth</u>	<u>Fluid</u>
Wasatch	Surface – 800'	Potential water sands
Evanston/Adaville	800' – 1500'	Water, Possible Gas
Aspen	1500'-1750'	None
TD	1750'	

## **2. ESTIMATED DEPTHS OF ANTICIPATED WATER AND GAS FORMATIONS**

The objective is the Aspen formation. Operator intends to evaluate shows in the Evanston/Adaville interval. The anticipated tops are listed in section one of the drilling plan.

## **3. PRESSURE CONTROL EQUIPMENT**

### **Minimum Specifications:**

1. 11" 3M BOP stack consisting of a pipe ram and blind ram.
  2. 2M choke manifold consisting of two adjustable chokes and bleed line.
  3. 2" Kill Line
  4. 2" Choke Line
- 

All components of the BOP stack are to be installed and pressure tested before drilling out from under the 9 5/8" surface casing. Rams, manifold and lines are to be tested to both a low pressure of 250 psi and a high pressure equal to the working pressure rating.

An adequate accumulator system will be utilized to hydraulically operate all components of the BOP equipment.

The surface casing will be pressure tested to 500 psi.

The BOP equipment will be tested once every 30 days and whenever a pressure seal is broken.

## **DRILLING PLAN**

Operator: Fat Chance Oil and Gas, LLC  
Crane 13-18  
T6N R8E, Rich County, Utah

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Operator will adhere to Utah Oil and Gas Conservation General Rule R649-3-7(Well Control).

### **4. CASING PROGRAM**

#### Surface:

OD: 9 5/8"  
Grade: H-40 or greater  
Wt: 32.30# or greater  
Cement: Cemented to surface with Lite and Tail Cements as required. Centralizers will be utilized to assure proper cement placement.

#### Production:

OD: 7"  
Grade: J-55 or greater  
Wt: 20# or greater  
Cement: Cemented to cover and isolate all zones of interest with Lite and Tail cements as required. Centralizers will be utilized to assure proper cement placement.

Surface casing will be cemented to surface, thus protecting shallow aquifers and the associated water. All zones of interest will be identified and evaluated. After running production casing, cement will be displaced to cover the shallowest zone of interest. As necessary, stage tools will be utilized if hydrostatic heads are excessive. The casing program will consist of setting 9 5/8" surface casing and 7" production casing.

### **5. DRILLING FLUID PROGRAM**

The drilling fluid will be a lightly treated fresh water native mud. Hole conditions will dictate if additives such as chemicals, gel or weighting materials are added. It is anticipated that occasional gel with LCM and/or polymer sweeps will be required to adequately clean the hole. Mud weight will be maintained at 9.5#/gal or less. Adequate quantities of barite to raise the mud weight to 10.5#/gal will be stored and available on location before drilling out the surface casing cement plug.

Mud pits will be visually monitored. The hole will be filled during trips and kept full at all times unless lost circulation is encountered.

## **DRILLING PLAN**

Operator: Fat Chance Oil and Gas, LLC  
Crane 13-18  
T6N R8E, Rich County, Utah

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### **6. EVALUATION PROGRAM**

Coring:

Zones of interest will be cored.

Logging:

One-man logging unit during drilling.

Open hole FDC-CNL-GR logs will be run from TD to surface.

### **7. ABNORMAL PRESSURES OR TEMPERATURES**

No abnormal pressures or temperatures are expected. Maximum anticipated bottom hole pressure is 750 psi or less. The pressure gradient at any depth is expected to be .43 psi/ft or less.

Hydrogen sulfide gas is produced from deeper formations in wells located within close proximity of the proposed well. However, the objective of the proposed well is the Aspen formation from which no hydrogen sulfide has been encountered nor in any formations above the Aspen. The presence of hydrogen sulfide in the proposed well is not expected or anticipated.

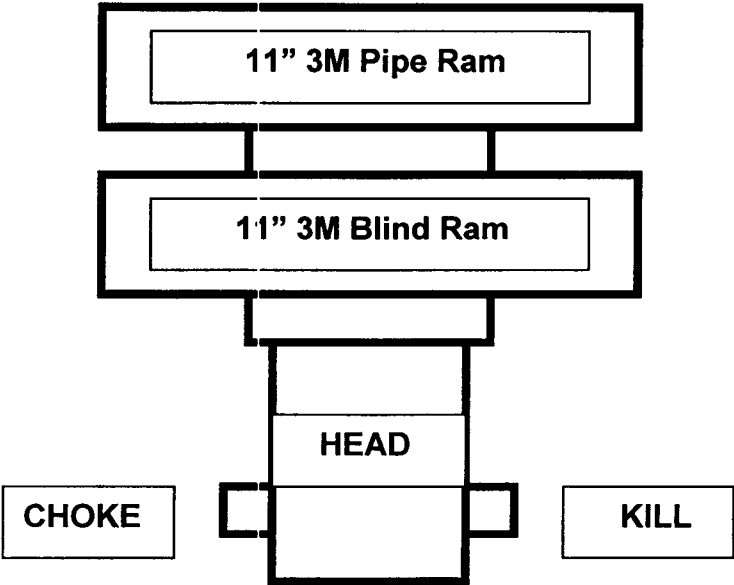
### **8. ADDITIONAL INFORMATION**

Anticipated spud of the proposed well will be immediately or as soon as practical after State approval.

Fat Chance Oil and Gas, LLC intends to test and evaluate any zone that indicates potential. The testing technique will consist of selectively perforating and flowing each zone of interest. Bridge plugs will be utilized to isolate zones as necessary for independent zone testing. Testing will be accordance with Utah Oil and Gas rule R649-3-19(Well Testing) and results will be submitted in writing to the Division of Oil, Gas and Mining.

**BOPE SCHEMATIC**

**API 3M - 11 - RR**



# KILL LINE – CHOKE LINE/MANIFOLD SCHEMATIC

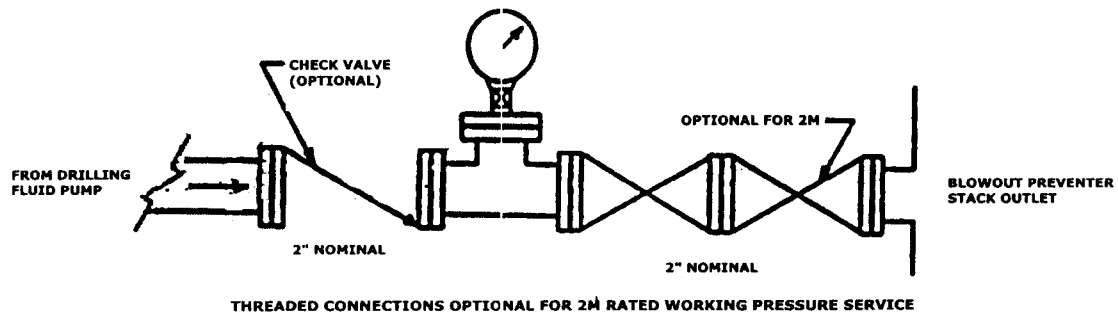


FIGURE K5-1. Typical kill line assembly for 2M and 3M rated working pressure service - surface installation.

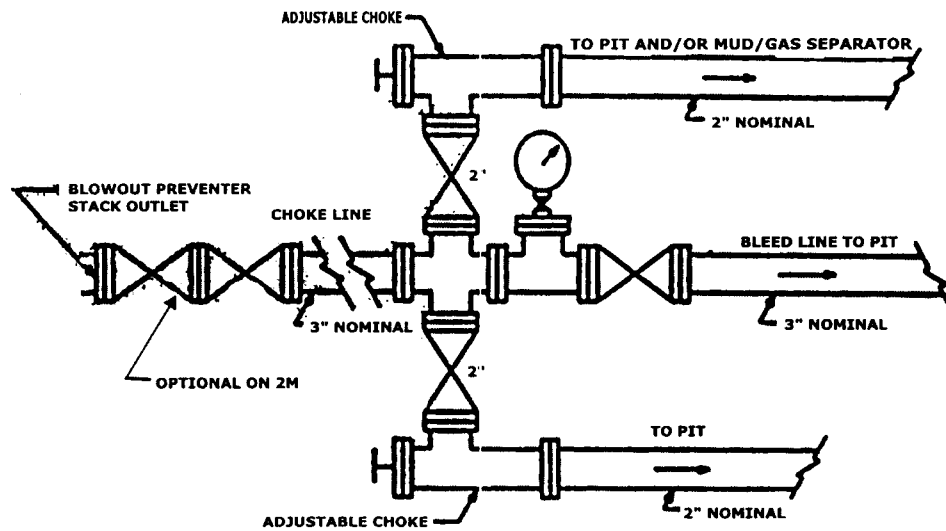
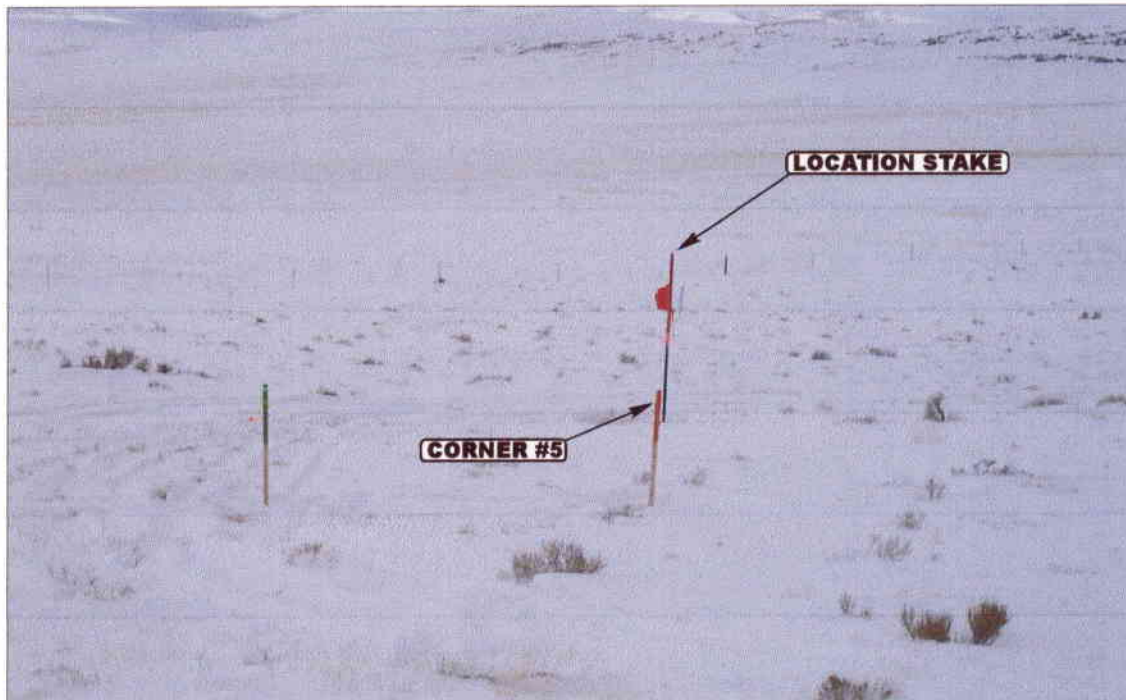


FIGURE K4-1. Typical choke manifold assembly for 2M and 3M rated working pressure service - surface installation.

**QUANECO, LLC.**  
**CRANE #13-18**  
**LOCATED IN RICH COUNTY, UTAH**  
**SECTION 18, T6N, R8E, S.L.B.&M.**



**PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE**

**CAMERA ANGLE: WESTERLY**



**PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS**

**CAMERA ANGLE: SOUTHWESTERLY**



- Since 1964 -

**U E L S** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

**LOCATION PHOTOS**

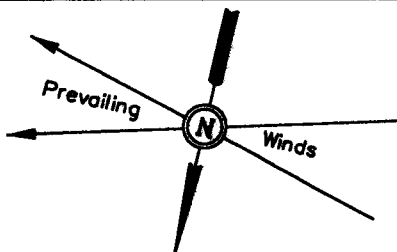
**1 18 01**  
MONTH DAY YEAR

**PHOTO**

TAKEN BY: B.B.

DRAWN BY: K.G.

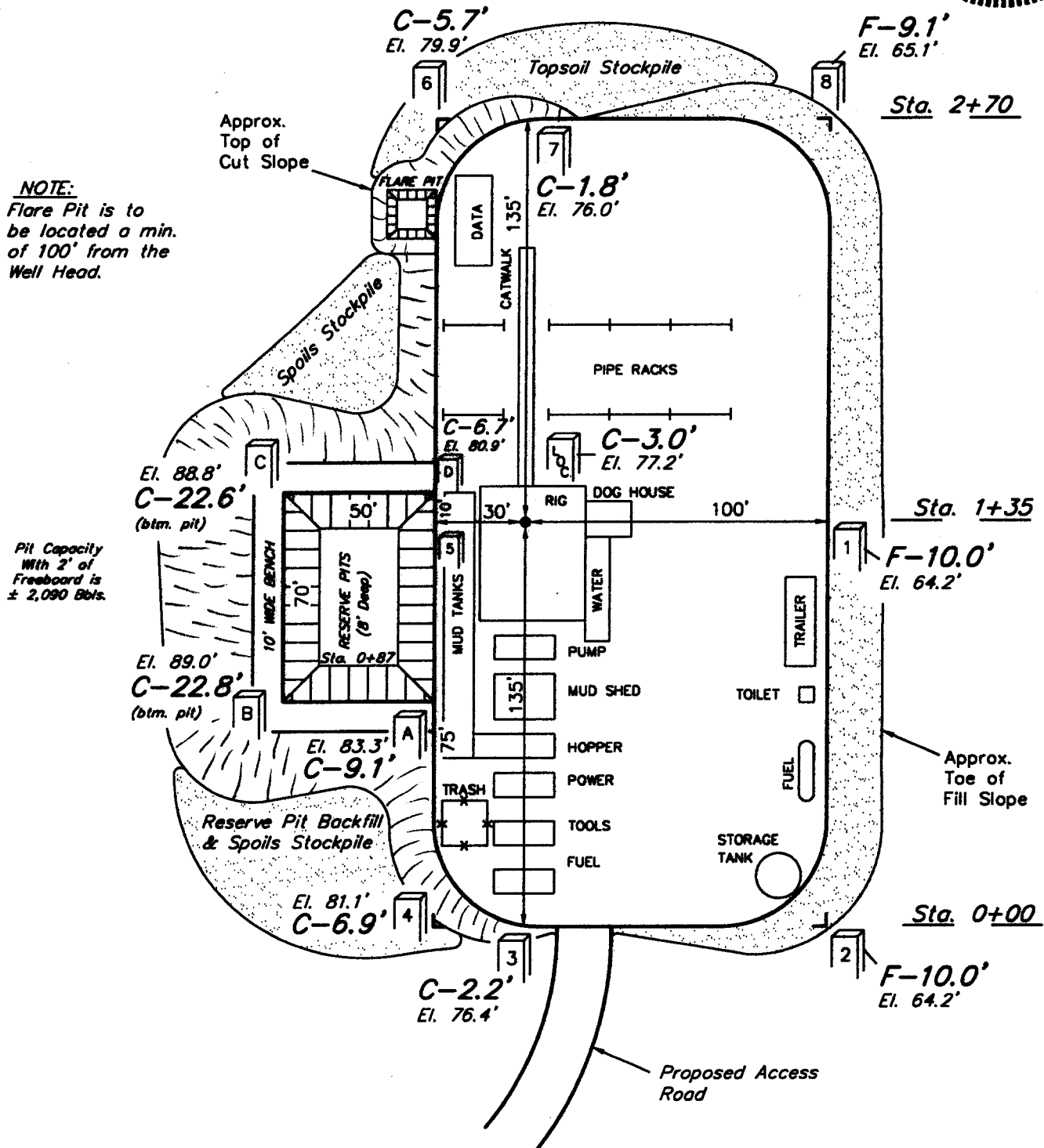
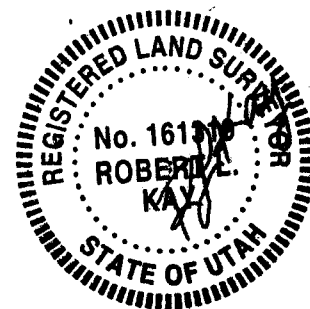
REVISED: 00-00-00



# QUANECO, LLC. LOCATION LAYOUT FOR

CRANE #13-18  
SECTION 18, T6N, R8E, S.L.B.&M.  
827' FSL 568' FWL

SCALE: 1" = 50'  
DATE: 1-22-01  
Drawn By: D.COX



Elev. Ungraded Ground at Location Stake = 6877.2'  
Elev. Graded Ground at Location Stake = 6874.2'

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

# QUANECO, LLC.

## TYPICAL CROSS SECTIONS FOR

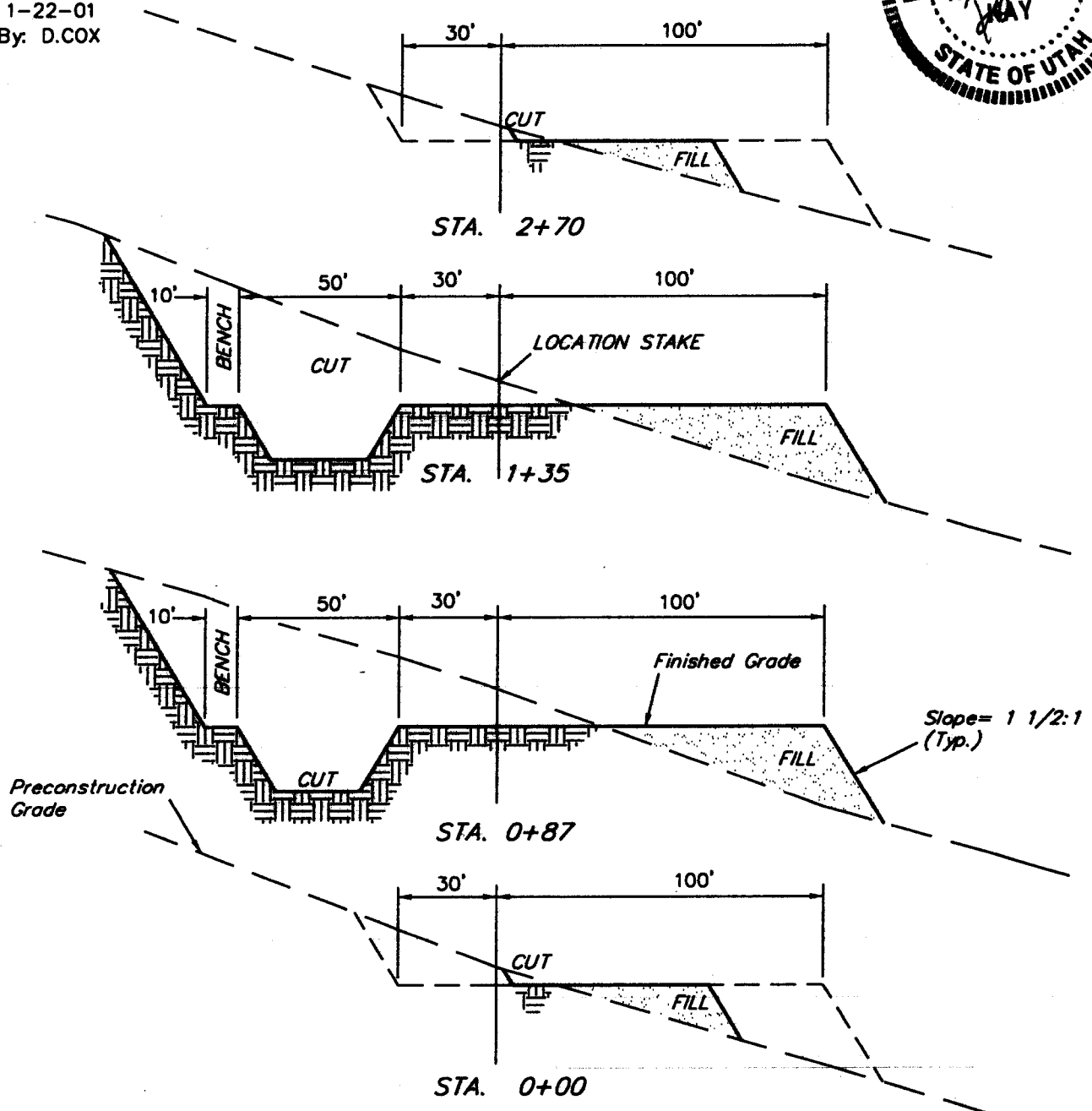
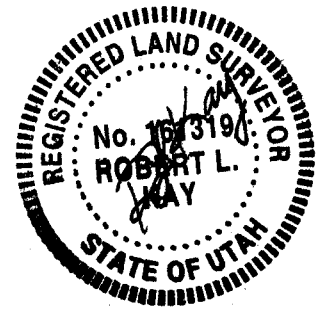
CRANE #13-18

SECTION 18, T6N, R8E, S.L.B.&M.

827' FSL 568' FWL

1" = 20'  
X-Section  
Scale  
1" = 50'

DATE: 1-22-01  
Drawn By: D.COX



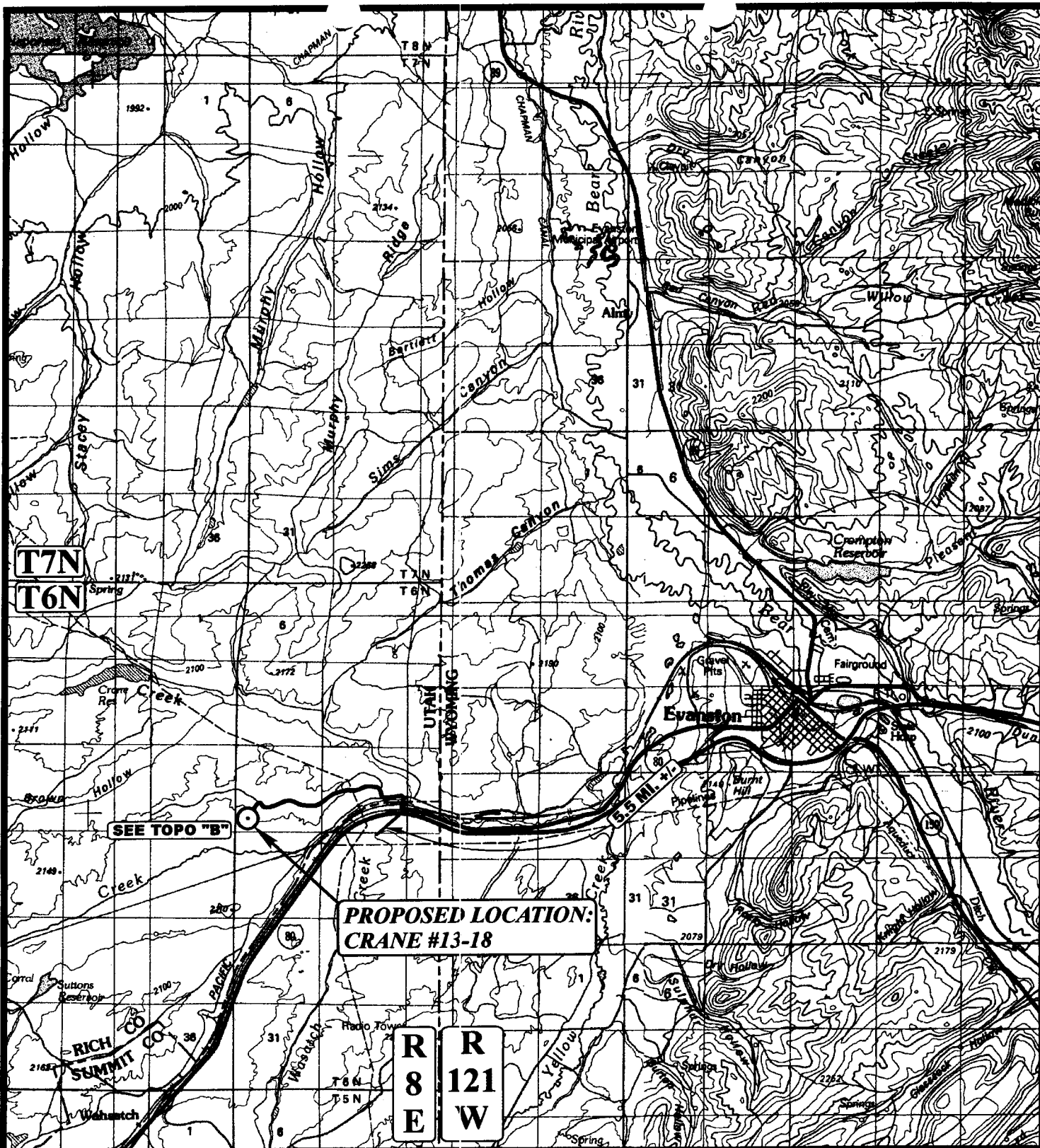
### APPROXIMATE YARDAGES

(6") Topsoil Stripping = 750 Cu. Yds.  
Remaining Location = 5,740 Cu. Yds.  
TOTAL CUT = 6,490 CU.YDS.  
FILL = 5,140 CU.YDS.

EXCESS MATERIAL AFTER  
5% COMPACTION = 1,080 Cu. Yds.  
Topsoil & Pit Backfill  
(1/2 Pit Vol.) = 1,080 Cu. Yds.  
EXCESS UNBALANCE  
(After Rehabilitation) = 0 Cu. Yds.

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# LEGEND:

○ PROPOSED LOCATION

QUANECO, LLC.

CRANE #13-18

SECTION 18, T6N, R8E, S.L.B.&M.

827' FSL 568' FWL



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813



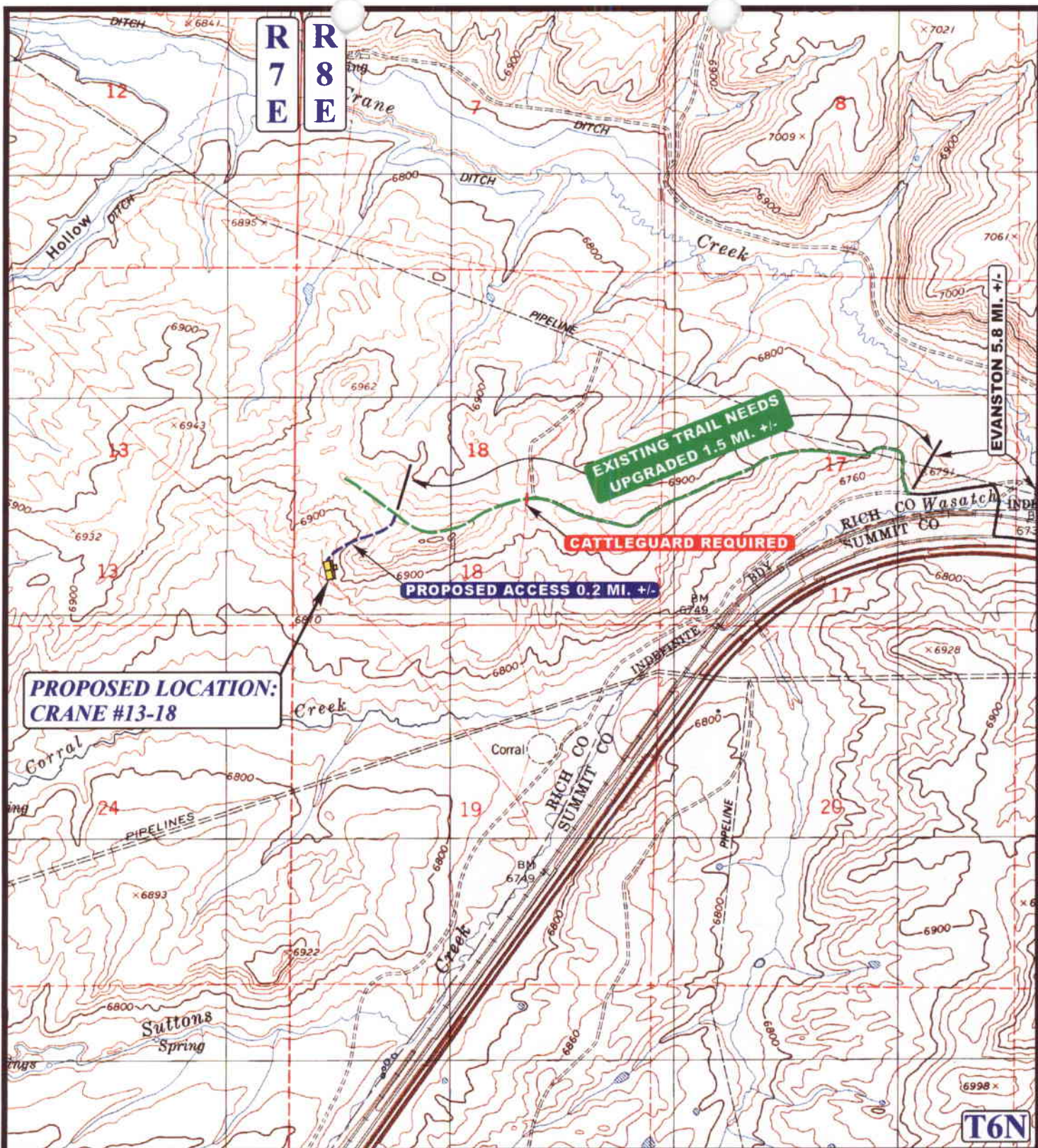
**TOPOGRAPHIC**  
**MAP**

**1** **18** **01**  
MONTH DAY YEAR

SCALE: 1:100,000 | DRAWN BY: K.G. | REVISED: 00-00-00







# LEGEND:

--- PROPOSED ACCESS ROAD  
 --- EXISTING ROAD

QUANECO, LLC.

CRANE #13-18  
 SECTION 18, T6N, R8E, S.L.B.&M.  
 827' FSL 568' FWL



Uintah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813



TOPOGRAPHIC  
 MAP

1 18 01  
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: K.G. REVISED: 00-00-00

B  
 TOPO



**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>				5. LEASE DESIGNATION AND SERIAL NUMBER: <b>Fee</b>	
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				7. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: <b>Fat Chance Oil and Gas, LLC</b>				8. WELL NAME and NUMBER: <b>Crane 13-18</b>	
3. ADDRESS OF OPERATOR: <b>PO Box 7370</b> CITY <b>Sheridan</b> STATE <b>WY</b> ZIP <b>82801</b>			PHONE NUMBER: <b>(307) 673-1500</b>	9 FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>	
4. LOCATION OF WELL (FOOTAGES)  AT SURFACE: <b>827' FSL 568' FWL</b> AT PROPOSED PRODUCING ZONE: <b>same</b>				10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSW 18 T6N R8E</b>	
13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>5 miles west of Evanston</b>				11. COUNTY: <b>Rich</b>	12. STATE: <b>UTAH</b>
14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>3800'</b>		15. NUMBER OF ACRES IN LEASE: <b>52,395</b>		16. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>160</b>	
17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>9100'</b>		18. PROPOSED DEPTH: <b>1,750</b>		19. BOND DESCRIPTION: <b>Utah DOGM Surety #885588C</b>	
20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>6877' GR</b>		21. APPROXIMATE DATE WORK WILL START: <b>4/15/2001</b>		22. ESTIMATED DURATION: <b>5 days</b>	

23. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4"	9 5/8"	H-40	32.3#	200	G-Poz	100 sx	1.77 12.5# lead
						50sx	1.17 15.8" tail
8 3/4"	7"	K-55	20#	1,750	G-35/65 Poz	150 sx	2.34 11# lead
						50 sx	1.27 14.2# tail

<b>24. ATTACHMENTS</b>	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) <u>Casey Osborn</u>	TITLE <u>Operations Manager</u>
SIGNATURE <u><i>Casey Osborn</i></u>	DATE <u>1-29-01</u>

(This space for State use only)

API NUMBER ASSIGNED: 43-033-30055

APPROVAL:

R  
7  
ER  
8  
E

T6N, R8E, S.L.B.&amp;M.

1997 U.E.&S.  
Alum. Cap 0.3'  
High, Pile of Stones  
324872

S89°43'W - 89.78 (G.L.O.)

LOT 1

LOT 2

LOT 3

LOT 4

CRANE #13-18

Elev. Ungraded Ground = 6877'

568'

827'

(Comp.)

Set Stone,  
Steel Post

S89°34'E - 80.90 (G.L.O.)

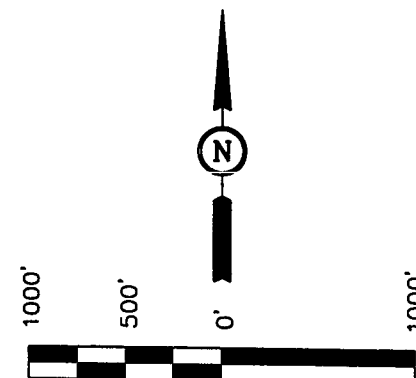
NORTH - (G.L.O.)

QUANECO, LLC

Well location, CRANE #13-18, located as shown in the SW 1/4 SW 1/4 of Section 18, T6N, R8E, S.L.B.&amp;M., Rich County, Utah.

## BASIS OF ELEVATION

SPOT ELEVATION LOCATED IN THE SW 1/4 OF SECTION 31, T7N, R8E, S.L.B.&M. TAKEN FROM THE MURPHY RIDGE QUADRANGLE, UTAH-WYOMING, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7184 FEET.



SCALE

## CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*Robert J. Kay*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 16139  
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING  
85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

## LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

LATITUDE = 41°14'56"

LONGITUDE = 111°05'22"

SCALE 1" = 1000'	DATE SURVEYED: 1-11-01	DATE DRAWN: 1-19-01
PARTY B.B. J.W D.COX	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE QUANECO, LLC	

# Fat Chance Oil and Gas, LLC

P.O. Box 7370  
Sheridan WY 82801  
307-673-1500 Phone  
307-673-1400 Fax

February 22, 2001

Utah Division of Oil, Gas and Mining  
ATTN: Lisha Cordova  
1594 W. North Temple  
Suite 1210  
Salt Lake City UT 84114-5801

Dear Lisha:

This affidavit is to inform your office that a surface owner agreement has been made and entered into as of the 21<sup>st</sup> day of June, 2000, by and between PROPERTY RESERVE, INC., formerly known as DESERET TITLE HOLDING CORPORATION, a Utah corporation (herein referred to as "PRI"), and FAT CHANCE OIL AND GAS, L.L.C.

This agreement pertains to several wells, but for the purposes of this affidavit, specifically addresses Crane 13-8, located in the SW1/4 of the SW1/4, Section 18, T6N, R8E.

If you have any questions, please do not hesitate to call.

Sincerely,



Casey Osborn  
Operations Manager

State of Wyoming )  
                                  ) ss

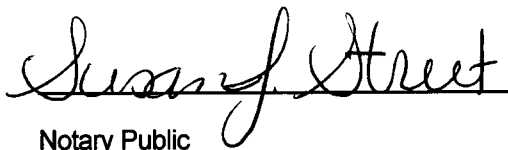
County of Sheridan )

**RECEIVED**

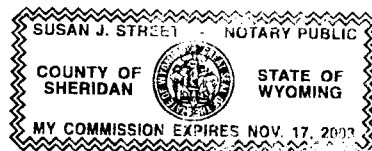
FEB 23 2001

DIVISION OF  
OIL, GAS AND MINING

The foregoing instrument was acknowledged before me by Casey Osborn this 22nd day of February, 2001.



Notary Public



My commission expires Nov. 17, 03

**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/23/2001

API NO. ASSIGNED: 43-033-30055

WELL NAME: CRANE 13-18

OPERATOR: FAT CHANCE OIL & GAS ( N1395 )

CONTACT: CASEY OSBORN

PHONE NUMBER: 307-673-1500

PROPOSED LOCATION:

SWSW 18 060N 080E

SURFACE: 0827 FSL 0568 FWL

BOTTOM: 0827 FSL 0568 FWL

RICH

WILDCAT ( 1 )

LEASE TYPE: 4-Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4-Fee

PROPOSED FORMATION: ASPEN *KELVN*

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	<i>R.A.M.</i>	<i>6/5/01</i>
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

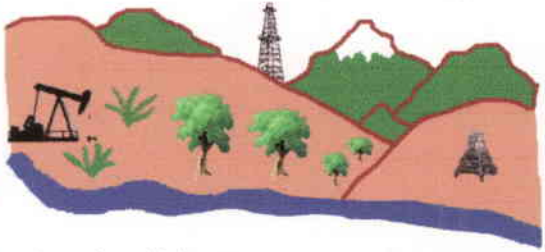
☒ Plat  
☒ Bond: Fed[] Ind[] Sta[] Fee[4]  
(No. 885588C )  
☒ Potash (Y/N)  
☒ Oil Shale (Y/N) \*190-5 (B) or 190-3  
☒ Water Permit  
(No. *21-868* )  
☒ RDCC Review (Y/N)  
(Date: *06/14/2-28-01* / *Comments due 3-15-01*)  
☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

☐ R649-2-3. Unit \_\_\_\_\_  
☒ R649-3-2. General  
Siting: *460* From Qtr/Qtr & *920'* Between Wells  
☐ R649-3-3. Exception  
☐ Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_  
☐ R649-3-11. Directional Drill

COMMENTS: *Need Presite. (5-25-01)*

STIPULATIONS: *1-Statement of Basis*  
*2-RDCC*



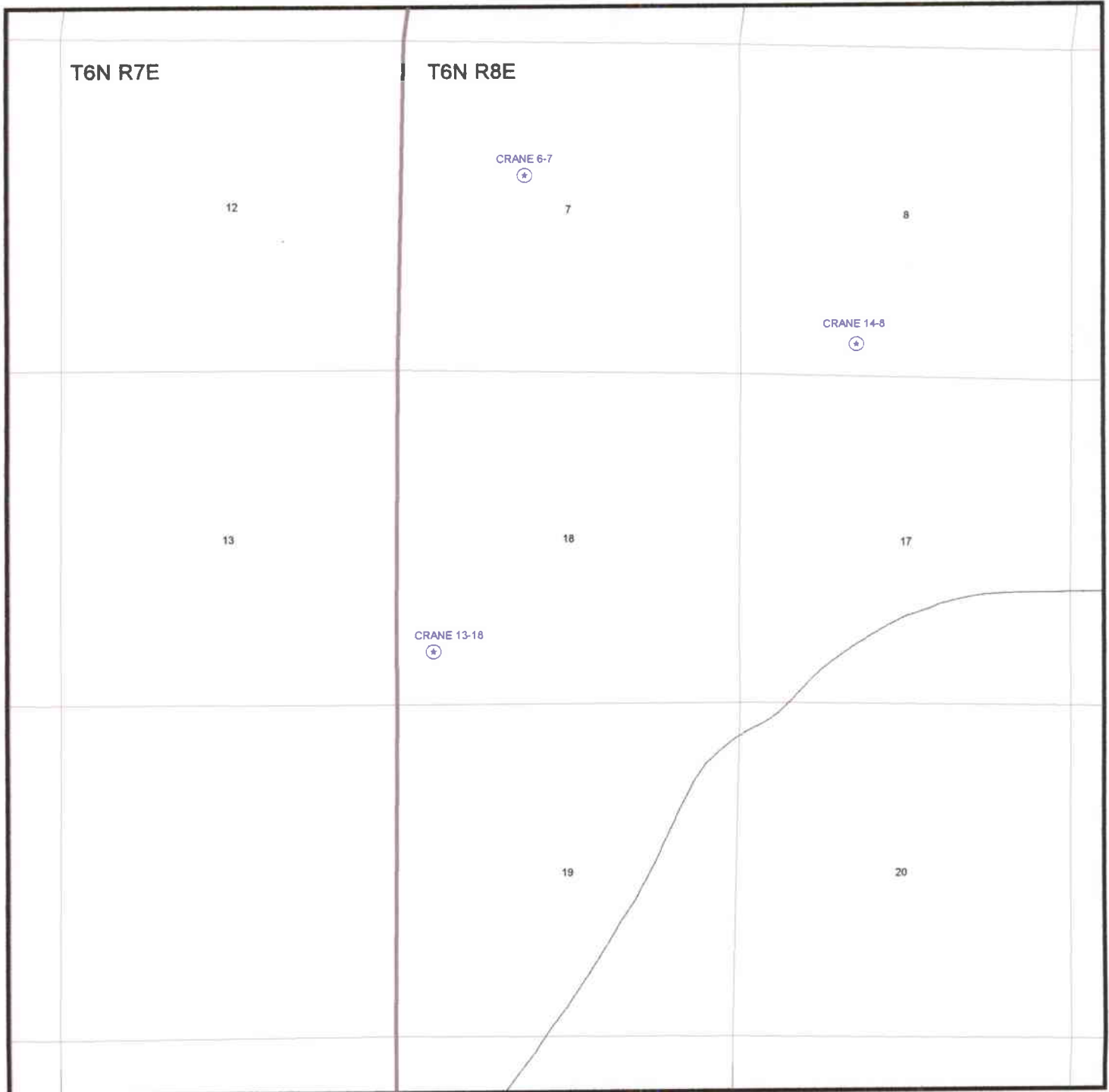
Utah Oil Gas and Mining

OPERATOR: FAT CHANCE O&G LLC (N1395)

FIELD: WILDCAT (001)

SEC. 18, T6N, R8E,

COUNTY: RICH SPACING: R649-3-2



PREPARED BY: LCORDOVA  
DATE: 28-FEBRUARY-2001

# 06-01 Fat Chance Crane 13-8

## Casing Schematic

Surface

TOC @  
0.

~ w/ 21% WASHOUT

9-5/8"  
MW 9.  
Frac 19.3

Surface  
500. MD

BOP

$$.052 (9.5) (4000) = 1976$$

$$.12 (4000) = \langle 480 \rangle$$

$$\underline{\underline{1496 \text{ psi}}}$$

∴ PROPOSED BOP OF  
3M- SRRA ADEQUATE.

R.A. Myke  
6/5/01

TOC @  
2462.

~ w/ 10% WASHOUT

7"  
MW 9.5

Production  
4000. MD



Well name:	<b>06-01 Fat Chance Crane 13-18</b>		
Operator:	<b>Fat Chance Oil</b>	Project ID:	
String type:	Production	43-033-30055	
Location:	Rich Co.		

**Design parameters:**
**Collapse**

Mud weight: 9.500 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**
**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 121 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 368 ft

Cement top: 2,462 ft

**Burst**

Max anticipated surface pressure: 0 psi  
Internal gradient: 0.494 psi/ft  
Calculated BHP 1,974 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.  
Neutral point: 3,429 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	4000	7	<u>23.00</u>	J-55	<u>LT&amp;C</u>	4000	4000	6.25	184.9
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1974	3270	<u>1.66</u>	1974	4360	<u>2.21</u>	92	313	<u>3.40 J</u>

Prepared R.A.McKee  
by: Utah Dept. of Natural Resources

Date: June 5,2001  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 4000 ft, a mud weight of 9.5 ppg The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:

**06-01 Fat Chance Crane 13-18**Operator: **Fat Chance Oil**String type: **Surface**

Project ID:

43-033-30055

Location: **Rich Co.****Design parameters:****Collapse**

Mud weight: 9.000 ppg

Design is based on evacuated pipe.

**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 72 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 200 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 0 psi

Internal gradient: 0.494 psi/ft

Calculated BHP 247 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 434 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 5,000 ft

Next mud weight: 9.500 ppg

Next setting BHP: 2,468 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 500 ft

Injection pressure 500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	500	9.625	32.30	H-40	ST&C	500	500	8.876	31.7
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	234	1370	<u>5.86</u>	247	2270	<u>9.20</u>	16	254	<u>15.73</u>

Prepared by: R.A.McKee  
Utah Dept. of Natural ResourcesDate: June 5,2001  
Salt Lake City, Utah**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop &amp; Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 500 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

## ON-SITE PREDRILL EVALUATION

### Division of Oil, Gas and Mining

OPERATOR: Fat Chance Oil and Gas, LLC

WELL NAME & NUMBER: Crane #13-18

API NUMBER: 43-033-30055

LEASE: Fee (Deseret Land and Livestock) FIELD/UNIT: Wildcat

LOCATION: 1/4, 1/4 SW SW Sec 18 TWP: 6 N RNG: 8 E 8/27 FSL 568 FWL

LEGAL WELL SITING: 460' from the drilling unit boundary and 920' from other wells

GPS COORD (UTM): X = 492,473 E; Y = 4,566,221 N Calculated

SURFACE OWNER: Deseret Land and Livestock

### PARTICIPANTS

Mike Hebertson (DOGM), Casey Osborn (Fat Chance), Bill Hopkin (Deseret Land & Livestock)

### REGIONAL/LOCAL SETTING & TOPOGRAPHY

This area is located in the Overthrust Belt of eastern Utah and western Wyoming north of the Uinta Mountains. US Highway 80 is about 1.5 miles to the southeast. The Uinta County Airport is located about 2 mile east. Shearing Corral Canyon is the access route to the location, and is also an active drainage with several developed water resources. Crane Creek, which flows eastward out of Thomas Canyon, is active all year long and eventually flows into the Bear River. The City of Evanston is about 5.8 miles to the east. The surface is Paleocene/Eocene age Wasatch formation with possible Evanston formation underlying the area. The land slopes to the southwest and is incised by moderate to shallow drainages with active streams and flowing water.

### SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: The operator proposes a 270' X 180' pad, outboard soil storage, and a 50' X 70' X 8' outboard attached pit, an existing road accesses the location to within 1½ miles, from there 1.7 miles of new or upgraded road will be required.

LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS: There are no existing wells within 1 mile of this well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities for this well will remain on the location with exception of the pipelines and utilities for power. The pipeline and utility lines will be buried underground and follow the access road.

SOURCE OF CONSTRUCTION MATERIAL: Gravel location and approach road; soil stored in berm, the location will be made of natural material borrowed from leveling the pad during construction.

ANCILLARY FACILITIES: None

## WASTE MANAGEMENT PLAN

Portable toilets; garbage cans or cages on location will be placed on location and will be emptied into centralized dumpsters, which will be emptied into an approved landfill. All human waste generated at the site will be kept in proper sanitary facilities and disposed of according to local rules. Extra precautions will be taken due to the proximity of Thomas Canyon and the water resources that are present along the drainage.

## ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: This location is in a secondary drainage to Thomas Canyon and Crane Creek, there is a stock watering pond developed in the mouth of the drainage, and an active spring within  $\frac{3}{4}$  of a mile of this location. All precautions will be taken to insure the integrity of these resources.

FLORA/FAUNA: Open sagebrush, and grass meadows, cactus, birds, lizards, coyotes, rodents, raptors, occasional elk, deer pronghorn and sage grouse.

SOIL TYPE AND CHARACTERISTICS: Mostly clay with very little sand, lots of small rocks to larger pit run type gravel and head sized rocks.

SURFACE FORMATION & CHARACTERISTICS: Wasatch Formation Clay with numerous rocks light gray to medium brown in color. Minor sand, and topsoil. Moderate to Poor Permeability.

EROSION/SEDIMENTATION/STABILITY: Stable. Wasatch type soils are generally susceptible to slumping when slopes are wet and become saturated. The slope of the ground in this location will not be sufficient for the unstable conditions to occur. Erosion and sedimentation at this location will not be an issue.

PALEONTOLOGICAL POTENTIAL: None observed.

## RESERVE PIT

CHARACTERISTICS: Dugout, earthen pit, as above.

LINER REQUIREMENTS (Site Ranking Form attached): Synthetic liner is required.

## SURFACE RESTORATION/RECLAMATION PLAN

A surface use agreement is in place, and restoration will be managed by the surface owner.

SURFACE AGREEMENT: There is a surface use agreement.

CULTURAL RESOURCES/ARCHAEOLOGY: Archaeological survey not required.

## OTHER OBSERVATIONS/COMMENTS:

The location is on the edge of a small erosional feature that will be used to store the spoil from the reserve pit. The ranch manager requested this measure to restore the feature to a more useable area and enhance the grass available for grazing.

ATTACHMENTS:

Photographs of the new location were taken.

---

K. Michael Hebertson  
DOGM REPRESENTATIVE

25-May-2001 10:30 AM  
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score  
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>10</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>5</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Based Mud	15	
Fluid containing significant levels of hazardous constituents	20	<u>10</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>10</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

**Final Score**     45     (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.

**DIVISION OF OIL, GAS AND MINING**  
**APPLICATION FOR PERMIT TO DRILL**  
**STATEMENT OF BASIS**

OPERATOR: Fat Chance Oil and Gas, LLC  
WELL NAME & NUMBER: Crane #13-18  
API NUMBER: 43-033-30055  
LEASE: Fee (Deseret Land and Livestock) FIELD/UNIT: Wildcat  
LOCATION: 1/4, 1/4 SW SW Sec 18 TWP: 6 N RNG: 8 E 8/27 FSL 568 FWL  
LEGAL WELL SITING: 460' from the drilling unit boundary and 920' from other wells  
GPS COORD (UTM): X = 492,473 E; Y = 4,566,221 N Calculated  
SURFACE OWNER: Deseret Land and Livestock

**Geology/Ground Water:**

It is expected that fresh water aquifers containing significant volumes of high quality ground water will be penetrated. A moderately permeable soil is developed on the Tertiary clays of the Wasatch formation. There are 14 active water rights within a mile of this location, Shearing Corral Creek is an active water source is within a mile of location. The proposed casing and cementing programs should adequately isolate any zones of fresh water that may be penetrated but the operator must extend the surface casing setting depth as needed to completely contain the USDW's encountered and place cement across all fresh water zones. If the well is plugged and abandoned any zone of fresh water will be protected with cement and cement will be circulated to ground level on the surface casing string. As this location is adjacent to an active water drainage and extra care should be taken to protect any ground or surface water sources.

Reviewer: K. Michael Hebertson

Date: 25-May-2001

**Surface:**

The surface belongs to Deseret Land and Livestock and persons representing Deseret Land and Livestock were invited to the on-site inspection. Those attending the onsite are noted above in the Participants section of the review document. Items of concern at this location are surface use agreement, and winter drilling restrictions not yet specified by the surface owner.

Reviewer: K. Michael Hebertson

Date: 25-May-2001

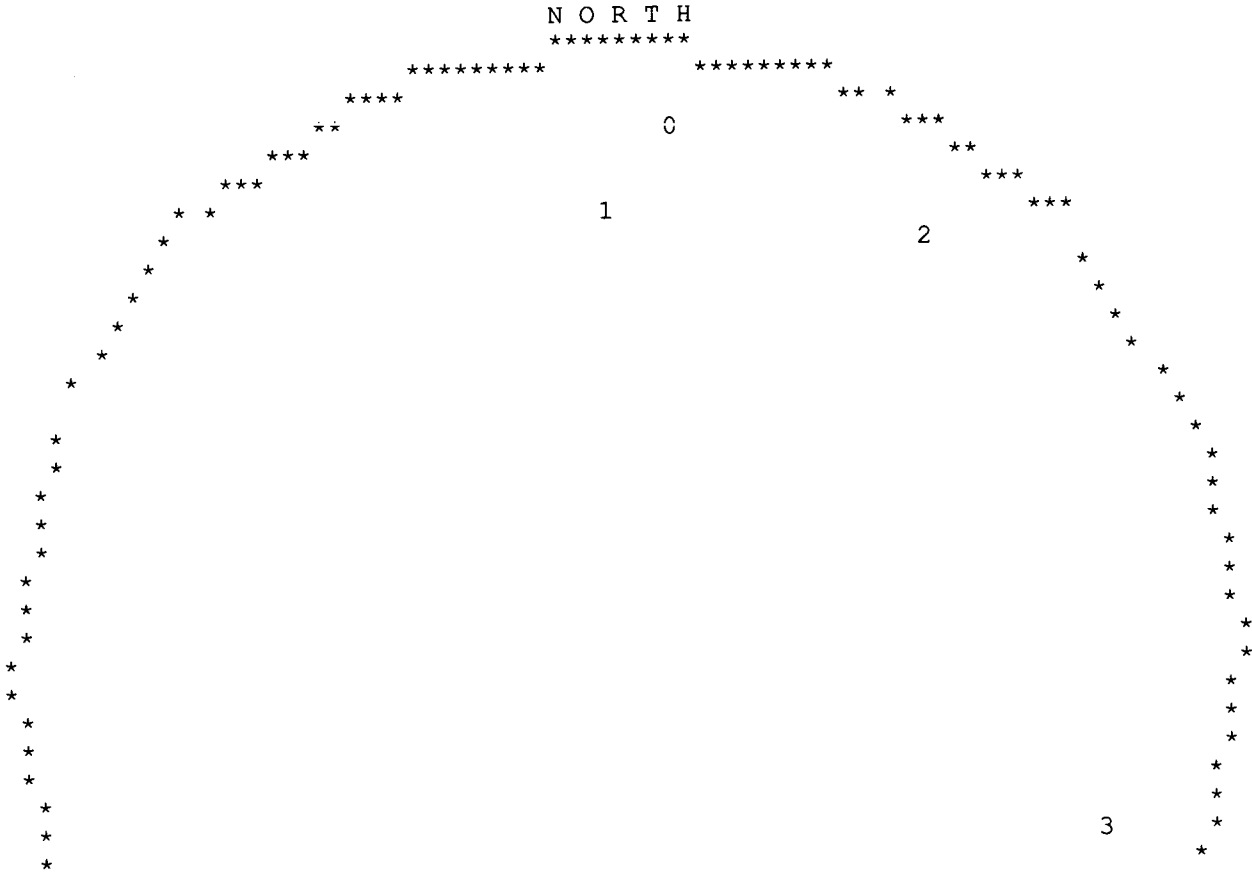
**Conditions of Approval/Application for Permit to Drill:**

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
2. Berms and diversions shall be installed to protect the location and spoil piles.
3. The topsoil and spoil will be low windrows rather than tall piles.

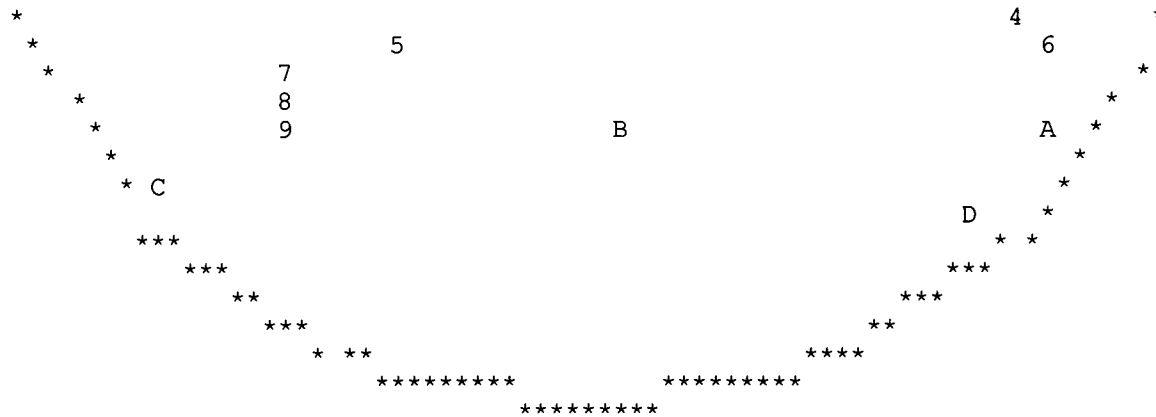
UTAH DIVISION OF WATER RIGHTS  
WATER RIGHT POINT OF DIVERSION PLOT CREATED WED, MAY 23, 2001, 11:01 AM  
PLOT SHOWS LOCATION OF 14 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT  
N 827 FEET, E 568 FEET OF THE SW CORNER,  
SECTION 18 TOWNSHIP 6N RANGE 8E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET





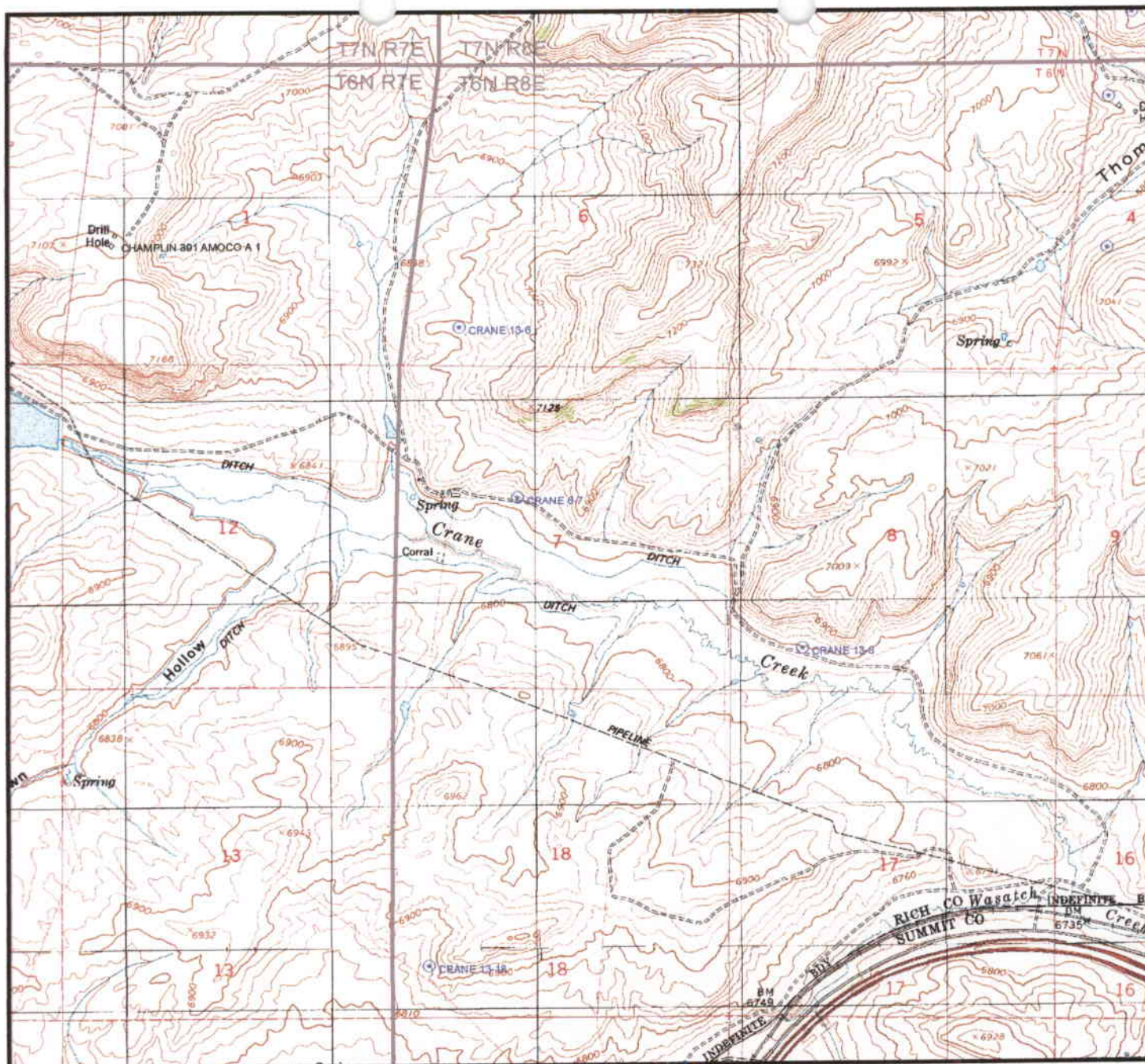


UTAH DIVISION OF WATER RIGHTS  
NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS	AND/OR AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER DEPTH YEAR LOG NORTH EAST	POINT OF DIVERSION DESCRIPTION CNR SEC TWN RNG B&M
0	21 1010	.0000	.00	Unnamed Tributary to Duck Cree N 30 E 1030	SW 7 6N 8E SL PRIORITY DATE: 00/00/19 Salt Lake City
	WATER USE(S): STOCKWATERING Deseret Livestock Company 531 South State Street				
1	21 1009	.0000	.00	Unnamed Tributary to Duck Cree S 650 E 480	NW 18 6N 8E SL PRIORITY DATE: 00/00/19 Salt Lake City
	WATER USE(S): STOCKWATERING Deseret Livestock Company 531 South State Street				
2	21 1008	.0000	.00	Unnamed Tributary to Duck Cree S 910 E 520	N4 18 6N 8E SL PRIORITY DATE: 00/00/19 Salt Lake City Panguitch
	WATER USE(S): STOCKWATERING Deseret Livestock Company Bulkley, Russell 531 South State Street				
3	21 997	.0000	.00	Shearing Corral Creek	PRIORITY DATE: 00/00/18
	WATER USE(S): STOCKWATERING				

		Deseret Livestock Company	531 South State Street				Salt Lake City
4	<u>21 635</u>	.0000	.00 Shearing Corral Creek	S	1070	W 990	NE 19 6N 8E SL
		WATER USE(S): IRRIGATION					PRIORITY DATE: 00/00/18
		Deseret Livestock Company	531 South State Street				Salt Lake City
5	<u>21 852</u>	.0000	.00 Unnmd Trib. to Shearing Corral	N	1300	W 1110	E4 24 6N 7E SL
		WATER USE(S): IRRIGATION					PRIORITY DATE: 00/00/18
		Deseret Livestock Company	531 South State Street				Salt Lake City
6	<u>21 636</u>	.0000	.00 Unnamed Tributary to Wahsatch	N	1190	W 840	E4 19 6N 8E SL
		WATER USE(S): IRRIGATION					PRIORITY DATE: 00/00/18
		Deseret Livestock Company	531 South State Street				Salt Lake City
7	<u>21 850</u>	.2500	.00 Shearing Corral Creek	N	950	W 1940	E4 24 6N 7E SL
		WATER USE(S): IRRIGATION STOCKWATERING					PRIORITY DATE: 00/00/19
		Deseret Livestock Company	531 South State Street				Salt Lake City
8	<u>21 847</u>	.2500	.00 Shearing Corral Creek	N	820	W 2050	E4 24 6N 7E SL
		WATER USE(S): IRRIGATION STOCKWATERING					PRIORITY DATE: 00/00/19
		Deseret Livestock Company	531 South State Street				Salt Lake City
9	<u>21 854</u>	.0110	.00 Unnamed Spring				PRIORITY DATE: 00/00/18
		WATER USE(S): STOCKWATERING					Salt Lake City
		Deseret Livestock Company	531 South State Street				
A	<u>21 637</u>	.0000	.00 Unnamed Tributary to Wahsatch	N	670	W 730	E4 19 6N 8E SL
		WATER USE(S): IRRIGATION					PRIORITY DATE: 00/00/18
		Deseret Livestock Company	531 South State Street				Salt Lake City
B	<u>21 853</u>	.0000	.00 Unnmd Trib. to Shearing Corral	N	560	E 900	W4 19 6N 8E SL
		WATER USE(S): IRRIGATION					PRIORITY DATE: 00/00/18
		Deseret Livestock Company	531 South State Street				Salt Lake City
C	<u>21 846</u>	.0000	.00 Unnmd Trib. to Shearing Corral	N	140	E 2160	W4 24 6N 7E SL
		WATER USE(S): IRRIGATION					PRIORITY DATE: 00/00/18
		Deseret Livestock Company	531 South State Street				Salt Lake City
D	<u>21 634</u>	.0000	.00 Unnamed Tributary to Wahsatch	S	220	W 1400	E4 19 6N 8E SL
		WATER USE(S): IRRIGATION					PRIORITY DATE: 00/00/18
		Deseret Livestock Company	531 South State Street				Salt Lake City

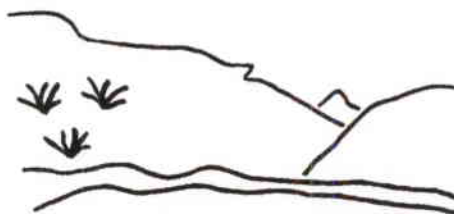
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#### Well Status

- GAS INJECTION
- GAS STORAGE
- × LOCATION ABANDONED
- ⊙ NEW LOCATION
- ◇ PLUGGED & ABANDONED
- ★ PRODUCING GAS
- PRODUCING OIL
- ◇ SHUT-IN GAS
- ◇ SHUT-IN OIL
- × TEMP. ABANDONED
- TEST WELL
- △ WATER INJECTION
- ◆ WATER SUPPLY
- ⊙ WATER DISPOSAL

Sections  
Township



#### Utah Oil Gas and Mining

The Division of Oil, Gas & Mining does not warrant or guarantee the accuracy of any data or information contained herein, and is not responsible for the accuracy of data not under its immediate control. The customer has requested data to be projected where there is no official survey, it is not be used as reliable data.



Prepared By: K. M. Hebertson  
Date: -Mar-2001





**Fat Chance Oil & Gas, Crane #13-18, Sec. 18, T6N, R8E, Rich County, API 43-033-30055**

The State Planning Coordinator's Office has reviewed the following projects and has not received any comments from State agencies to date.

Contact: Kevin Carter

#484 Trust Lands Administration - Easement No. 677

Contact: Jan Parmenter

#483 Trust Lands Administration - Easement No. 683

Contact: Scott Chamberlain

#544 Trust Lands Administration - Fire Rehabilitation/Range Improvement Project

Contact: Lisha Cordova

#539 DOGM - Application for Permit to Drill - proposal to drill a wildcat well, Crane 6-7 on a fee lease.

#540 DOGM - Application for Permit to Drill - proposal to drill a wildcat well, Crane 13-6 on a fee lease.

#541 DOGM - Application for Permit to Drill - proposal to drill a wildcat well, Crane 13-18 on a fee lease.

#542 DOGM - Application for Permit to Drill - proposal to drill a wildcat well, Stacey Hollow 14-35 on a fee lease.

**From:** Frances Bernards  
**To:** Cordova, Lisha  
**Date:** 3/27/01 12:01PM  
**Subject:** comments on well drilling projects



The following Resource Development Coordinating Committee agenda items for proposed well drilling projects may require a permit from the Utah Division of Air Quality (see comment below): Items #518 (Texaco 05-107 well on state lease ML-48193); #519 (Texaco 05-108 well); #520 (Texaco 05-109 well); #521 (Texaco 05-110 well); #522 (Texaco 06-103 well); #523 (America West Group 15-1126 well); #524 (W.H. Leonard 15-127 well); #539 (Fat Chance Oil & Gas Crane 6-7 well); #540 (Fat Chance Oil & Gas Crane 13-6 well); #541 (Fat Chance Oil & Gas Crane 13-18 well); #542 (Fat Chance Oil & Gas Stacey Hollow 14-35 well).

The following comment applies to all proposed projects: The proposed oil well drilling projects may require a permit, known as an Approval Order, from the Division of Air Quality. If any compressor stations are located at the site, an Approval Order from the DAQ will be required for operation of the equipment. A permit application, known as a Notice of Intent (NOI) should be submitted to the Division of Air Quality for review.

If you have any questions, please contact me at (801) 536-4056.

Frances Bernards, Planner  
Division of Air Quality  
[fbernard@deg.state.ut.us](mailto:fbernard@deg.state.ut.us)

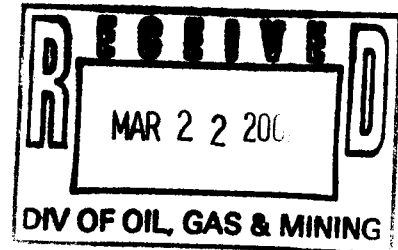
**STATE ACTIONS**  
**State Clearinghouse Coordinator**  
**116 State Capitol, SLC, UT 84114**  
**538-1535**

<b>1. Administering State Agency</b> Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	<b>2. State Application Identifier Number: (assigned by State Clearinghouse)</b>  <b>3. Approximate date project will start:</b> Upon Approval
<b>4. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1)</b>  Bear River Association of Governments	
<b>5. Type of action:</b> // Lease    /X/ Permit    // License    // Land Acquisition  // Land Sale    // Land Exchange    // Other _____	
<b>6. Title of proposed action:</b>  Application for Permit to Drill	
<b>7. Description:</b>  Fat Chance Oil and Gas, LLC proposes to drill the Crane 13-18 well (wildcat) on a fee lease, Rich County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
<b>8. Land affected (site location map required) (indicate county)</b>  SW/4, SW/4, Section 18, Township 6 North, Range 8 East, Rich County, Utah	
<b>9. Has the local government(s) been contacted?</b> No	
<b>10. Possible significant impacts likely to occur:</b>  Degree of impact is based on the discovery of oil or gas in commercial quantities.	
<b>11. Name and phone of district representative from your agency near project site, if applicable:</b>  	
<b>12. For further information, contact:</b>  Lisha Cordova Phone: (801) 538-5296	<b>13. Signature and title of authorized officer</b>    John R. Baza, Associate Director Date: February 28, 2001



## Fax Transmittal Form

P.O. Box 7370  
850 Val Vista  
Sheridan WY 82801-7370

**To**Name: Lisha GordovaOrganization Name/Dept: OGCC

Phone number: \_\_\_\_\_

Fax number: 801 359-3940**From**

Quanco, LLC

Phone: 307-673-1500

Fax: 307-673-1400

Name: Bill CourtneyDate sent: 3-22-2001

Time Sent: \_\_\_\_\_

Number of pages including cover page: 4**Message:**Lisha -

Per our conversation I have enclosed our water agreement with Desert Livestock. The wells you currently waiting on this to complete your files are the Stacey Hollow 14-35, Crane 13-18, and the latest Sutton 4-2. Thank you for all your help.

Bill Courtney





State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF WATER RIGHTS

Michael O. Leavitt  
Governor

Ted Stewart  
Executive Director

Robert L. Morgan  
State Engineer

1636 West North Temple, Suite 220  
Salt Lake City, Utah 84118-9156  
801-538-7240  
801-538-7315 (Fax)

March 19, 2001

Deseret Livestock Company  
531 South State Street  
Salt Lake City, UT 84111

ATTN: William Hopkin

RE: Temporary Change 21-868 (t25349)

Dear Mr. Hopkin:

EXPIRATION DATE: March 19, 2001

The State Engineer's office has reviewed your application for temporary change and feels this application can be approved subject to prior rights.

This Decision is subject to the provisions of Rule R625-6-17 of the Division of Water Rights and to Section 63-46b-13 and 73-3-14 of the Utah Code Annotated, 1953, which provide for filing either a Request for Reconsideration with the State Engineer or an appeal with the appropriate District Court. A Request for Reconsideration must be filed with the State Engineer within 20 days of the date of this Decision. However, a Request for Reconsideration is not a prerequisite to filing a court appeal. A court appeal must be filed within 30 days after the date of this Decision, or if a Request for Reconsideration has been filed, within 30 days after the date the Request for Reconsideration is denied. A Request for Reconsideration is considered denied when no action is taken 20 days after the Request is filed.

Sincerely,

  
Robert M. Fotheringham, P.E.  
Northern Area Engineer

RMF:gf



					--SW4--	--NB4--	--SW4--	--SB4--
					N N S S	N N S S	N N S S	N N S S
					W E W E	W E W E	W E W E	W E W E
Sec	1 T	6N R	7B SLMM		X:X:X:X*X:X:X:X*X:X:X:X*X:X:X			
Sec	2 T	6N R	7E SLMM		*X:X:X,X*X*X:X:X*X*X:X:X*X:X*X:X			
Sec	11 T	6N R	7B SLMM		X:X:X:X*X:X:X:X*X:X:X:X*X:X:X			
Sec	12 T	6N R	7B SLMM		*X:X:X:X*X:X:X:X*X:X:X:X*X:X:X			
Sec	4 T	6N R	8B SLMM		*X:X:X:X*X:X:X:X*X:X:X:X*X:X:X			
Sec	6 T	6N R	8E SLMM		*X:X:X:X*X:X:X:X*X:X:X:X*X:X:X			
Sec	7 T	6N R	8E SLMM		X:X:X:X*X:X:X:X*X:X:X:X*X:X:X			
Sec	0 T	6N R	8E SLMM		*X:X:X:X*X:X:X:X*X:X:X:X*X:X:X			
Sec	9 T	6N R	8E SLMM		*X:X:X:X*X:X:X:X*X:X:X:X*X:X:X			
Sec	17 T	6N R	8E SLMM		X:X:X:X*X:X:X:X*X:X:X:X*X:X:X			
Sec	18 T	6N R	8E SLMM		*X:X:X:X*X:X:X:X*X:X:X:X*X:X:X			
Sec	11 T	7N R	7E SLMM		*X:X:X:X*X:X:X:X*X:X:X:X*X:X:X			
Sec	35 T	7N R	7E SLMM		*X:X:X,X*X*X:X:X*X:X*X:X,X:X,X			
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Sec	32 T	8N R	7E SLMM		*X:X:X,X*X*X,X,X,X,X,X,X,X,X,X,X			
Sec	35 T	8N R	7E SLMM		*X:X:X,X*X*X,X,X,X,X,X,X,X,X,X,X			

[illegible]

NATURE OF USE ----->	CHANGED as follows:
SUPPLEMENTAL to Other Water Rights: Yes	SUPPLEMENTAL to Other Water Rights: No
IRR: 314.5000 acs Sol/Sup: acs USED 04/01 - 10/15	
STK: 30800 Cattle or Equivalent USED 04/01 - 10/15	
	OTH: INDUSTRIAL: testing of geologic formations USED 01/01 - 12/31

RESERVOIR STORAGE	SAME AS HERETOFORE			
Storage 01/01 to 12/31, in Crane Reservoir:				
with a maximum capacity of 775,700 acre-feet, located in:				
	--NW4--	--NB4--	--SW4--	--SE4--
Height of Dam:	ft	N N S S	N N S S	N N S S
Gate Location:	ans	N E W E	N E W E	N E W E
Sec 10 T 6N R 7E S1/4M	*	1	**	1
Sec 11 T 6N R 7E S1/4M	*	X	X	X
Sec 12 T 6N R 7E S1/4M	*X	1	X	**

END OF DATA

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Fat Chance Oil and Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 568' FWL; 827' FSL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 18 T6N R8E		8. WELL NAME and NUMBER: Crane 13-18
PHONE NUMBER: 307-673-1500		9. API NUMBER: 13-033-30055
		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: Rich
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: August 1, 2001	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON	
	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____	
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Operator proposes to change plans as follows:

Total depth: 4000'

Surface casing setting depth: 500'

Surface casing cementing program: 225 sx Type III; 1.54 yield; 14 ppg density

Production casing: 7" 23# J55 LTC set @ TD.

Production casing cementing program: 300 sx 50/50 poz; 1.22 yield; 14.3 ppg density

Replace original drilling plan with attached drilling plan that includes changes in the casing program, drilling fluid program, evaluation program, and the required pressure control equipment.

The location layout will remain as originally submitted.

NAME (PLEASE PRINT) Casey Osborn

TITLE Operations Manager/Agent

SIGNATURE

DATE

5/29/01

RECEIVED

(This space for State use only)

JUN 04 2001

DIVISION OF  
OIL, GAS AND MINING

# **DRILLING PLAN**

Operator: Fat Chance Oil and Gas, LLC  
Crane 13-18  
T6N R8E, Rich County, Utah

---

## **1. ESTIMATED TOPS OF GEOLOGIC MARKERS**

<u>Formation</u>	<u>Depth</u>	<u>Fluid</u>
Wasatch	Surface – 550'	Potential water sands
Evanston	550'-1590'	Water, Possible Gas
Unconformity	1590'	
Aspen	1600'-2000'	None
Bear River	2000'-3700'	Water, Oil
TD-Kelvin	4000'	

## **2. ESTIMATED DEPTHS OF ANTICIPATED WATER AND GAS FORMATIONS**

The objective formation is the Kelvin formation. Operator intends to evaluate shows in the Adaville and Bear River intervals. The anticipated tops are listed in section one of the drilling plan.

## **3. PRESSURE CONTROL EQUIPMENT**

### **Minimum Specifications:**

1. 11" 3M BOP stack consisting of an annular preventer, pipe ram, and blind ram.
  2. 2M choke manifold consisting of two adjustable chokes and bleed line.
  3. 2" Kill Line
  4. 2" Choke Line
- 

All components of the BOP stack are to be installed and pressure tested before drilling out from under the 9 5/8" surface casing. Rams, manifold and lines are to be tested to both a low pressure of 250 psi and a high pressure equal to the working pressure rating. The annular preventer is to be tested to 70% of the working pressure.

An adequate accumulator system will be utilized to hydraulically operate all components of the BOP equipment.

The surface casing will be pressure tested to 1000 psi.

The BOP equipment will be tested once every 30 days and whenever a pressure seal is broken.

## **DRILLING PLAN**

Operator: Fat Chance Oil and Gas, LLC  
Crane 13-18  
T6N R8E, Rich County, Utah

---

Operator will adhere to Utah Oil and Gas Conservation General Rule R649-3-7(Well Control).

### **4. CASING PROGRAM**

#### Surface:

OD: 9 5/8"  
Grade: H-40 or greater  
Wt: 32.30# or greater  
Cement: Cemented to surface with Lite and Tail Cements as required. Centralizers will be utilized to assure proper cement placement.

#### Production:

OD: 7"  
Grade: J-55 or greater  
Wt: 23# or greater  
Cement: Cemented to cover and isolate all zones of interest with Lite and Tail cements as required. Centralizers will be utilized to assure proper cement placement.

Surface casing will be cemented to surface, thus protecting shallow aquifers and the associated water. All zones of interest will be identified and evaluated. After running production casing, cement will be displaced to cover the shallowest zone of interest. As necessary, stages tools will be utilized if hydrostatic heads are excessive. The casing program will consist of setting 9 5/8" surface casing and 7" production casing.

### **5. DRILLING FLUID PROGRAM**

The drilling fluid will be a lightly treated fresh water native mud. Hole conditions will dictate if additives such as chemicals, gel or weighting materials are added. It is anticipated that occasional gel with LCM and/or polymer sweeps will be required to adequately clean the hole. Mud weight will be maintained at 9.5#/gal or less. Adequate quantities of barite to raise the mud weight to 10.5#/gal will be stored and available on location before drilling out the surface casing cement plug.

Mud pits will be visually monitored. The hole will be filled during trips and kept full at all times unless lost circulation is encountered.

## **DRILLING PLAN**

Operator: Fat Chance Oil and Gas, LLC  
Crane 13-18  
T6N R8E, Rich County, Utah

---

### **6. EVALUATION PROGRAM**

Coring:

Due to the wildcat status of the proposed well, coring is not anticipated.

Logging:

Two-man logging unit during drilling.

Open hole FDC-CNL-GR logs will be run from TD to surface.

### **7. ABNORMAL PRESSURES OR TEMPERATURES**

No abnormal pressures or temperatures are expected. Maximum anticipated bottom hole pressure is 1950 psi or less. The pressure gradient at any depth is expected to be .43 psi/ft or less.

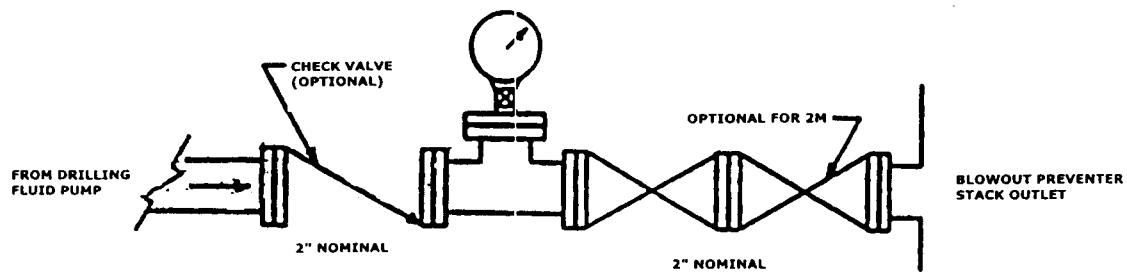
Hydrogen sulfide gas is produced from deeper formations in wells located within close proximity of the proposed well. However, the objective of the proposed well is the Kelvin formation from which no hydrogen sulfide has been encountered nor in any formations above the Kelvin. The presence of hydrogen sulfide in the proposed well is not expected or anticipated.

### **8. ADDITIONAL INFORMATION**

Anticipated spud of the proposed well will be immediately or as soon as practical after State approval.

Fat Chance Oil and Gas, LLC intends to test and evaluate any zone that indicates potential. The testing technique will consist of selectively perforating and flowing each zone of interest. Bridge plugs will be utilized to isolate zones as necessary for independent zone testing. Testing will be accordance with Utah Oil and Gas rule R649-3-19(Well Testing) and results will be submitted in writing to the Division of Oil, Gas and Mining.

# KILL LINE – CHOKE LINE/MANIFOLD SCHEMATIC



THREADED CONNECTIONS OPTIONAL FOR 2M RATED WORKING PRESSURE SERVICE

FIGURE K5-1. Typical kill line assembly for 2M and 3M rated working pressure service - surface installation.

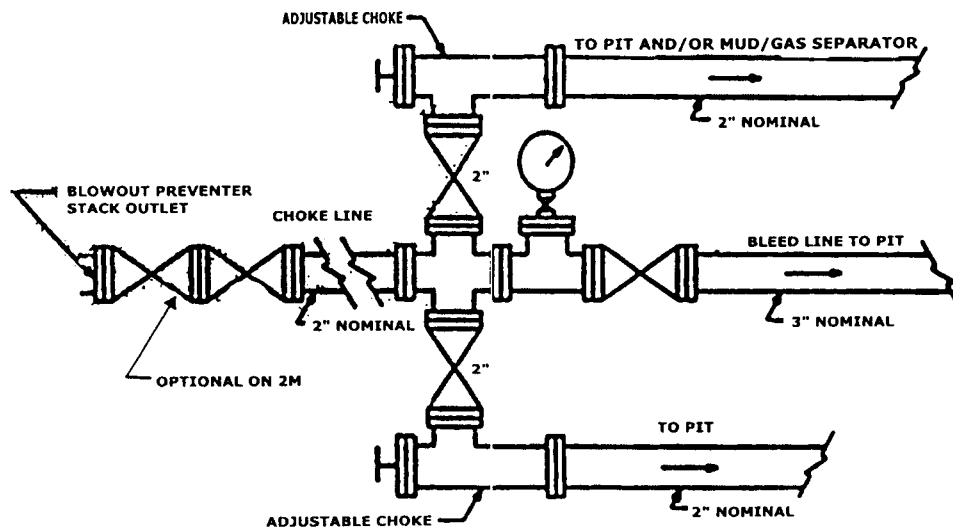
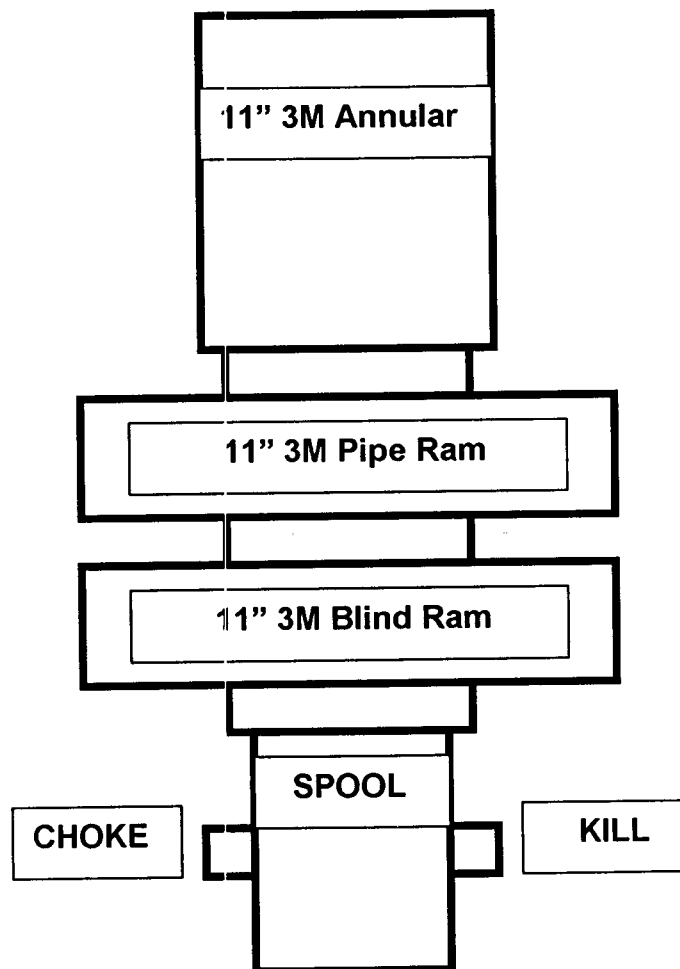


FIGURE K4-1. Typical choke manifold assembly for 2M and 3M rated working pressure service - surface installation.



# BOPE SCHEMATIC

API 3M - 11 - SRRA





# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

June 13, 2001

Fat Chance Oil & Gas, LLC  
PO Box 7370  
Sheridan WYO 82801

Re: Crane 13-18 Well, 827' FSL, 568' FWL, SW SW, Sec. 18, T. 6 North, R. 8 East,  
Rich County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-033-30055.

Sincerely,

A handwritten signature in black ink, appearing to read 'John R. Baza'.

John R. Baza  
Associate Director

er

Enclosures

cc: Rich County Assessor

**Operator:** Fat Chance Oil & Gas, LLC  
**Well Name & Number** Crane 13-18  
**API Number:** 43-033-30055  
**Lease:** FEE

**Location:** SW SW      **Sec.** 18      **T.** 6 North      **R.** 8 East

### **Conditions of Approval**

#### **1. General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

#### **2. Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

#### **3. Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

#### **4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)**

#### **5. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.**

CONFIDENTIAL

FORM 9

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 827' FSL 568' FWL		8. WELL NAME and NUMBER: Crane 13-18
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 18 6N 8E S		9. API NUMBER: 4303330055
COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Extension of Permit
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Operator requests a one year extension of approval for permit to drill to allow further evaluation of offset wells.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 05-20-02

By: 

COPY SENT TO OPERATOR

Date: 5-20-02

Initials: CHD

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE 

DATE 5/13/2002

(This space for State use only)

**RECEIVED**

MAY 16 2002

CONFIDENTIAL

FORM 9

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER

8. WELL NAME and NUMBER:

Crane 13-18

2. NAME OF OPERATOR:

Fat Chance Oil &amp; Gas, LLC

9. API NUMBER:

4303330055

3. ADDRESS OF OPERATOR:

PO Box 7370

CITY Sheridan

STATE WY

ZIP 82801

PHONE NUMBER:

(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:

Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 568' FWL 827' FSL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 18 T6N R8E S

STATE:

UTAH

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

## TYPE OF SUBMISSION

☐ NOTICE OF INTENT  
(Submit in Duplicate)

Approximate date work will start:

☐ SUBSEQUENT REPORT  
(Submit Original Form Only)

Date of work completion:

☐ ACIDIZE☐ ALTER CASING☐ CASING REPAIR☐ CHANGE TO PREVIOUS PLANS☐ CHANGE TUBING☐ CHANGE WELL NAME☐ CHANGE WELL STATUS☐ COMMINGLE PRODUCING FORMATIONS☐ CONVERT WELL TYPE


## TYPE OF ACTION

☐ DEEPEN☐ FRACTURE TREAT☐ NEW CONSTRUCTION☐ OPERATOR CHANGE☐ PLUG AND ABANDON☐ PLUG BACK☐ PRODUCTION (START/RESUME)☐ RECLAMATION OF WELL SITE☐ RECOMPLETE - DIFFERENT FORMATION☐ REPERFORATE CURRENT FORMATION☐ SIDETRACK TO REPAIR WELL☐ TEMPORARILY ABANDON☐ TUBING REPAIR☐ VENT OR FLARE☐ WATER DISPOSAL☐ WATER SHUT-OFF☒ OTHER: APD Extension

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Operator requests a one year extension of APD.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 07-03-03  
By: 

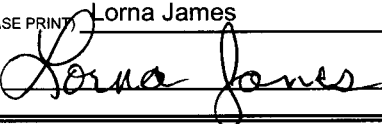
COPY SENT TO OPERATOR

Date: 7-8-03  
Initials: CHD

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE



DATE 6/25/2003

(This space for State use only)

RECEIVED  
JUL 02 2003  
DIV. OF OIL, GAS & MINING

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 4303330055  
**Well Name:** Crane 13-18  
**Location:** SWSW, Section 18, T6N, R8E, SLM, Rich County  
**Company Permit Issued to:** Fat Chance Oil & Gas, LLC  
**Date Original Permit Issued:** 6/13/2001

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

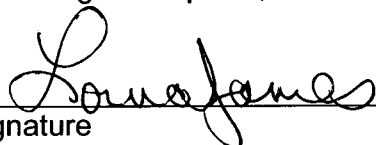
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

  
\_\_\_\_\_  
Signature

6/25/2003  
\_\_\_\_\_  
Date

Title: Administrative Assistant

Representing: Fat Chance Oil & Gas, LLC

RECEIVED  
JUL 02 2003  
DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>Fee</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>Crane 13-18</b>	
2. NAME OF OPERATOR: <b>Fat Chance Oil &amp; Gas, LLC</b>	9. API NUMBER: <b>4303330055</b>	
3. ADDRESS OF OPERATOR: <b>PO Box 7370</b> CITY <b>Sheridan</b> STATE <b>WY</b> ZIP <b>82801</b>	PHONE NUMBER: <b>(307) 673-1500</b>	
10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>		

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **568' FWL 827' FSL** COUNTY: **Rich**  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWSW 18 T6N R8E S** STATE: **UTAH**

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input checked="" type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			


12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

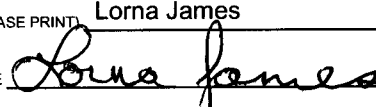
Please change the Operator to:

Quaneco, LLC  
PO Box 7370  
Sheridan WY 82801

Effective: July 19, 2003  
Bond# 885588C

  
Fat Chance Oil & Gas, LLC  
Casey Osborn

  
Quaneco, LLC  
Casey Osborn

NAME (PLEASE PRINT) <b>Lorna James</b>	TITLE <b>Administrative Assistant</b>
SIGNATURE 	DATE <b>8/13/2003</b>

(This space for State use only)

RECEIVED

AUG 25 2003

DIV. OF OIL, GAS & MINING

## OPERATOR CHANGE WORKSHEET

## ROUTING

1. GLH

2. CDW

3. FILE

Change of Operator (Well Sold)

Designation of Agent/Operator

**X Operator Name Change**

Merger

The operator of the well(s) listed below has changed, effective:						<b>7/19/2003</b>			
<b>FROM: (Old Operator):</b>						<b>TO: ( New Operator):</b>			
N1395 - Fat Chance Oil & Gas, LLC PO Box 7370 Sheridan, WY 82801 Phone: 1-(307) 673-1500						N2495 - Quaneco, LLC PO Box 7370 Sheridan, WY 82801 Phone: 1-(307) 673-1500			
<b>CA No.</b>						<b>Unit:</b>			
<b>WELL(S)</b>									
NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
COALVILLE 9-3	03	020N	050E	4304330322		Fee	GW	APD	C
COALVILLE 12-3	03	020N	050E	4304330323		Fee	GW	APD	C
SUTTONS 4-12	12	060N	070E	4303330058	13286	Fee	GW	S	C
CRANE 4-4	04	060N	080E	4303330049	13056	Fee	GW	S	C
CRANE 12-4	04	060N	080E	4303330050	13057	Fee	GW	S	C
CRANE 13-6	06	060N	080E	4303330054		Fee	GW	APD	C
CRANE 6-7	07	060N	080E	4303330053		Fee	GW	APD	C
CRANE 13-8	08	060N	080E	4303330052	13093	Fee	GW	S	C
CRANE 13-18	18	060N	080E	4303330055		Fee	GW	APD	C
STACEY HOLLOW 14-35	35	070N	070E	4303330056	13104	Fee	GW	S	C
SIMS 13-33	33	070N	080E	4303330051		Fee	GW	APD	C
NEPONSET 4-35	35	080N	070E	4303330048		Fee	GW	APD	C
MURPHY RIDGE 1-32	32	080N	080E	4303330045	12970	State	GW	S	C
MURPHY RIDGE 7-32	32	080N	080E	4303330046		State	GW	APD	C
CRAWFORD 4-25	25	090N	070E	4303330065		Fee	GW	APD	C

## OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 8/25/2003
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 8/25/2003
3. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/25/2003
4. Is the new operator registered in the State of Utah: YES Business Number: 4743368-0161
5. If NO, the operator was contacted on: \_\_\_\_\_



6. (R649-9-2) Waste Management Plan has been received on: \_\_\_\_\_

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases or N/A

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: N/A

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 10/31/2003
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/31/2003
3. Bond information entered in RBDMS on: 10/31/2003
4. Fee wells attached to bond in RBDMS on: 10/31/2003

**STATE WELL(S) BOND VERIFICATION:**

1. State well(s) covered by Bond Number: 885708C

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: N/A

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number: N/A

**FEE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 885588C
2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 10/30/2003

**COMMENTS:**

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# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

[www.nr.utah.gov](http://www.nr.utah.gov)

Michael O. Leavitt  
Governor

Robert L. Morgan  
Executive Director

Lowell P. Braxton  
Division Director

November 25, 2004

Lorna James  
Fat Chance Oil & Gas, LLC  
PO Box 7370  
Sheridan, WY 82801

Re: Notification of Sale or Transfer of Fee Lease Interest

Dear Ms. James:

The Division has received notification of a operator change from Fat Chance Oil & Gas, LLC to Quaneco, LLC for the attached list of wells which are located on fee leases.

Utah Administrative Rule R649-2-10 states; the owner of a lease shall provide notification to any person with an interest in such lease, when all or part of that interest in the lease is sold or transferred.

This letter is written to advise Fat Chance Oil & Gas, LLC of its responsibility to notify all individuals with an interest in this lease (royalty interest and working interest) of the change of operator. Please provide written documentation of this notification to:

Utah Royalty Owners Association  
Box 1292  
Roosevelt, Utah 84066

Your assistance in this matter is appreciated.

Sincerely,

Earlene Russell  
Engineering Technician

cc: Utah Royalty Owners Association, Lamar Wilson  
John R. Baza, Associate Director

Fat Chance Oil & Gas, LLC  
November 25, 2004

ATTACHMENT "A"

<u>Well Name</u>	<u>Sec.-Twsp -Rng.</u>	<u>API Number</u>
NEPONSET 4-35	35 080N 070E	4303330048
CRANE 4-4	04 060N 080E	4303330049
CRANE 12-4	04 060N 080E	4303330050
SIMS 13-33	33 070N 080E	4303330051
CRANE 13-8	08 060N 080E	4303330052
CRANE 6-7	07 060N 080E	4303330053
CRANE 13-6	06 060N 080E	4303330054
CRANE 13-18	18 060N 080E	4303330055
STACEY HOLLOW 14-35	35 070N 070E	4303330056
SUTTONS 4-12	12 060N 070E	4303330058
CRAWFORD 4-25	25 090N 070E	4303330065
COALVILLE 9-3	03 020N 050E	4304330322
COALVILLE 12-3	03 020N 050E	4304330323

## Fax Transmittal Form



P.O. Box 7370  
850 Val Vista  
Sheridan WY 82801-7370

## To

Name: Vickie

Organization Name/Dept: \_\_\_\_\_

Phone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

## From

Quaneco, LLC

Phone: 307-673-1500

Fax: 307-673-1400

Name: Lorna JamesDate sent: 3-17-04

Time Sent: \_\_\_\_\_

Number of pages including cover page: 2

## Message:

RECEIVED

MAR 17 2004

DIV. OF OIL, GAS &amp; MINING

# QUANECO, LLC

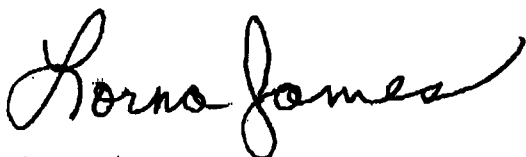
850 Val Vista-Box 7370-Sheridan, WY 82801-Office 307-673-1500-Fax 307-673-1400 [quaneco@fiberpipe.net](mailto:quaneco@fiberpipe.net)

3/17/2004

To Whom It May Concern:

Quaneco, LLC does here by authorize Steven Prince and Cliff Murray to have full access to all well files permitted by Quaneco, LLC or Fat Chance Oil and Gas, LLC. This authorization is not limited to permit information. The above individuals have full access to all records we have submitted including logs.

Sincerely,



Lorna James

Administrative Assistant

RECEIVED

MAR 17 2004

DIV. OF OIL, GAS & MINES



State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

July 13, 2004

Lorna James  
Quaneco, LLC  
P O Box 7370  
Sheridan WY 82801

Re: APD Rescinded – Crane 13-18, Sec. 18, T. 6N, R. 8E Rich County, Utah  
API No. 43-033-30055

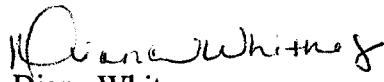
Dear Ms. James:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on June 13, 2001. On May 20, 2002 and July 3, 2003, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective July 13, 2004.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

  
Diana Whitney  
Engineering Technician

cc: Well File  
Gil Hunt, Technical Services Manager